

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:30 P.M., WEDNESDAY, JANUARY 21, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, Ross Maris, Clay Nicklas and Ron Sanford. City Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore, and Directors Rick Malone, Lonny Cluck and Mercy Rushing were also in attendance, as well as Building Inspector Coy Prather, Police Chief Mike Echols, Municipal Court Judge Lilia Durham, and City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER – Councilmember Maris called the meeting to order at 6:30 p.m. and declared a quorum present.
2. INVOCATION was led by Councilmember Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Councilmember Maris.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None were declared.
5. PROCLAMATIONS AND ANNOUNCEMENTS

RECEIPT OF WATER FLUORIDATION QUALITY AWARD FROM
 CENTERS FOR DISEASE CONTROL AND PREVENTION AND UNITED
 STATES DEPARTMENT OF HEALTH & HUMAN SERVICES

Mr. McCuistion announced Canton received an award for consistently performing all the required checks for the fluoridation of water in 2007. He gave credit to Charles Stone for ensuring the tests were done.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA -

Mayor Wilson joined the meeting at 6:34 p.m.

Edith Elliott expressed her opinion the City should never give First Monday over to private ownership. She felt the City should be the one to have the lock-and-leave building, not an outside investor. She also thought the City should consider turning Arbor 1 into a lock-and-leave building if the City purchased property from H&T. Ron Perkins also expressed his opinion that First Monday was a very big asset to the citizens of Canton, and it should not be given away to private ownership.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM DECEMBER 16, 2008 CITY COUNCIL MEETING – The Minutes from the December 16, 2008, City Council meeting were

unanimously approved upon motion by Councilmember Huddle and second by Councilmember Nicklas.

8. CONSIDER APPROVAL OF DECEMBER 2008 FINANCIAL STATEMENTS – Julie Seymore reported Cash on Hand at the end of December was \$3,775,655. The City spent almost \$535,000 on capital expenditures and interest on Certificates of Obligation, which were unusual expenses. Debt service was \$7.38 million. Year-to-date expenses were \$3,471,000, which was 24.9% of the budget. Property tax revenue for the end of December was \$91,597, but an additional \$415,000 had been collected since that time. Sales tax receipts in December were \$519,689, which was up 14% from last year. The December 2008 Financial Statements were unanimously approved upon motion by Councilmember Fuller and second by Councilmember Sanford.
9. CONSIDER ACCEPTANCE OF PETITION FOR VOLUNTARY ANNEXATION OF 3.80-ACRE TRACT IN J. DOUTHIT SURVEY, A-198, LOCATED ON HIGHWAY 19 SOUTH, OWNED BY TOMMY ADUDELLE, R. ANN ADUDELLE, T.A. HALE, AND SALLY M. HALE – Julie Seymore explained the property was located south of the easement on the sixty acres owned by CEDC. Water and sewer were already available. The property adjoined the city limits and was eligible for annexation. Two hearings should be scheduled with the final consideration in March. The property was to be used for commercial development. Councilmember Sanford made a motion to accept the petition for voluntary annexation of the 3.80-acre tract in the J. Douthit Survey, A-198, located on Highway 19 South, owned by Tommy and R. Ann Adudell and T.A. and Sally Hale. Councilmember Nicklas seconded and all voted in favor. Mayor Wilson announced the first hearing would be held at the regular council meeting February 17, 2009, and the second hearing would be a called meeting on February 24, 2009.
10. CONSIDER REQUEST FROM VAL'S RESTAURANT FOR THREE DESIGNATED PARKING SPACES ON CAPITOL STREET – Mr. McCuistion said a letter was sent to all businesses on the square notifying them only the Council could authorize designated spaces. Complaints had been received of County employees parking in the downtown spaces. Val from Val's Italian Restaurant felt the designation of three spaces in front of his restaurant would help his business, particularly during First Monday. Laura Graham, an employee of Canton Square Bakery, said the parking was a problem because it hindered customers from picking up to-go orders. She said the two-hour parking limit was not enforced by the police department. There was a parking lot across the street which sat empty because people from the courthouse refused to park in their designated area. Diane Saxton of The Very Thing and the Tea Room said she put up signs designating parking for her businesses because County employees parked on the square. She suggested designating two spaces for every business on the square. Cary Hilliard said the old library was torn down to make a parking lot for County employee parking. He said it would take the cooperation of the County Commissioners to keep County employees from parking on the square.

Rick Malone joined the meeting at 6:50 p.m.

Mr. McCuistion said the County Judge wrote the County employees every six months or so about the parking situation and she said she would write another one. Mayor Wilson suggested writing the County Judge a letter stating the City would start to issue citations enforcing the two-hour parking. Mr. McCuistion said a lot of the signs for the two-hour parking were removed when the sidewalks were redone. One option would be to replace the signs and start to enforce them. Chief Echols said three times in the past they had tried to enforce the two-hour parking. Each time, they had so many complaints from business owners because their employees were ticketed for parking on the square. Ms.

Saxton said she did not allow employees to park on the square. Mayor Wilson recommended replacing the two-hour parking signs and enforcing them. He wanted to send a letter to all businesses giving them notice. Mercy Rushing said the letter to the merchants had gone out on her letterhead but if the city did not enforce the parking limit, the problem would not be resolved. She also cautioned ticketing tourists who came to town. She suggested having the merchants sign an agreement with Main Street stating they would not park on the square. Councilmember Fuller said when he first remembered the issue coming up, there was a lot of dissension when the police started marking tires with chalk. He felt two-hour parking around the square should not be enforced. There was no other place for people to park. Laura Graham reiterated two designated places for each business would allow someone to park to get a takeout order. Mayor Wilson said the City would contact the County and/or allow designated spaces in front of the businesses if they requested. Mrs. Elliott suggested parking across from her office building. Mayor Wilson said there would be plenty of downtown parking if people used the right areas. Councilmember Maris said he really wanted to see chronic offenders stopped. He suggested extending the time limit beyond two hours. Diane Saxton said it was not employees who were parking on the square all day. Val said he was afraid customers would be scared off if they started ticketing. Mr. McCuistion thought the two-hour limit would keep places open if it were enforced. Mayor Wilson said the County could help by having its employees park in their designated lot and telling jury panels where to park. He said the City could put the signs back up and try to enforce the two-hour parking and contact the County by letter to notify them tickets would be issued. There should also be special consideration for business owners who lived downtown. Mr. McCuistion said he would review the current ordinance. Ms. Seymore said the ordinance basically said there was two-hour parking where posted. Councilmember Maris suggested having the signs be more decorative. Councilmember Sanford made a motion to deny the request by Val's Restaurant for three designated parking spaces on Capitol Street. Councilmember Huddle seconded and all voted in favor of denying the request.

11. CONSIDER APPROVAL OF GARY BURTON ENGINEERING, INC. TASK ORDER FOR EAST OUTFALL SANITARY SEWER MAIN – PHASE II – Gary Burton said they submitted a task order for engineering services for the design bid and construction phase for Phase II of the East Outfall. He said Phase 1 was a CEDC funded project where 12 and 15 inch lines were laid and the WalMart lift station was removed. He recommended a 24" pipe be used for Phase II of the project. It would extend from the other line at the old sewer plant to where the west outfall ties in at the current plant. Mr. McCuistion noted CEDC budgeted \$300,000 to pay for part of the project. Councilmember Maris made a motion to approve the Gary Burton Engineering, Inc. Task Order for the East Outfall Sanitary Sewer Main – Phase II. Councilmember Fuller seconded and all voted in favor.
12. CONSIDER APPROVAL OF GARY BURTON ENGINEERING, INC. TASK ORDER FOR ETHERIDGE ROAD AMENDMENT NO. 2 FOR ETHERIDGE AND MALINDA LANE – Mr. Burton explained the original project was completed and Amendment 2 would authorize engineering services to do the design work necessary and to oversee construction for the side roads to tie into Etheridge. Mayor Wilson said there was an issue of possible flooding if it was not done correctly. Mr. Burton said there was curb and gutter on one side but not the other. A large storm could cause water to go into Mr. Smith's barn. Mayor Wilson felt the project should be finished correctly since a large amount of money had already been spent to do the work. Mr. Burton indicated the contractor might not accept an additional change order so a new bid may be required. Councilmember Huddle made a motion to approve the Gary Burton Engineering, Inc. Task Order for the Etheridge Road Amendment No. 2 for Etheridge and Malinda Lane. Councilmember Sanford second and all voted in favor.

13. CONSIDER ADOPTION OF ORDINANCE NO. 2009-01 PROHIBITING SMOKING IN EATING ESTABLISHMENTS IN THE CITY OF CANTON – Councilmember Huddle said after a three-year smoking ban in public buildings, a study was done in Pueblo, Colorado, which showed a decrease in the heart attack rates. Other states had bans against smoking in public. Councilmember Huddle suggested eliminating smoking in all the eating places in town. Mr. McCuistion said the ordinance allowed smoking in private clubs but not in any eating establishments, including convenience stores which served food. Councilmember Huddle made a motion to adopt Ordinance No. 2009-01 prohibiting smoking in eating establishments in the City of Canton. Councilmember Sanford seconded and all voted in favor. Julie Seymore stated the ordinance would be effective thirty days after publication.
14. CONSIDER ADOPTION OF ORDINANCE NO. 2009-02 ESTABLISHING REGULATIONS FOR CITY PERMITS FOR PARADES AND DEMONSTRATIONS – Mr. McCuistion requested item 14 be taken off the agenda for further review by the City Attorney.
15. CONSIDER ADOPTION OF ORDINANCE NO. 2009-03 ESTABLISHING REGULATIONS FOR SOLICITING, SELLING OR TAKING ORDERS FOR ANY GOODS, WARES, MERCHANDISE OR SERVICES, SOLICITING DONATIONS, OR FOR THE DISTRIBUTION OF HANDBILLS WITHIN THE CITY LIMITS OF CANTON, TEXAS, AND PROVIDING FOR THE ISSUANCE AND REVOCATION OF PERMITS - Mr. McCuistion requested item 15 be taken off the agenda for further review by the City Attorney.
16. CONSIDER APPROVAL OF CANTON ECONOMIC DEVELOPMENT CORPORATION AMENDED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009 – Mercy Rushing explained the construction project at the Plaza Museum for new CEDC offices would cost an estimated \$37,000. She demonstrated the budget was reallocated to pay for the cost of construction and office equipment, furnishings and supplies with a net change of zero. Mr. Malone said renovations would also be done to the existing kitchen and storage would be added. Ms. Rushing said her assistant's office would be 10'x10' and hers would be 10'x14'. Mayor Wilson said he was opposed to approving \$37,000 without seeing some kind of plan. He felt that amount of money should be put out for bid. Mr. Malone said the City was doing some of the work itself. Mayor Wilson wanted to see a breakdown of the costs. Mr. Malone said the big expense was the tear out and sheetrock. Ms. Rushing said the City would pay \$10,000 additional for heating and cooling the front part of the building. She explained the \$10,000 was the remainder of what was budgeted to replace the roof on the building. Mr. Malone said the cost would actually be \$6900, not \$10,000. Mayor Wilson suggested each councilmember take a look at the project prior to voting on the budget. Ms. Seymore suggested adding the item to the agenda on January 27 at the called meeting.
17. CONSIDER ADOPTION OF RESOLUTION NO. 2009-01 AMENDING BYLAWS OF THE MAIN STREET ADVISORY BOARD – Mercy Rushing explained the amendments were basically housekeeping matters. The main change was adding a job description for the Treasurer. Some of the subcommittees were readjusted. They added that an amendment to the Bylaws could be made with no less than six members. The Council would make the final decision on the budget or changing any programs. Councilmember Nicklas made a motion to adopt Resolution No. 2009-01 amending the Bylaws of the Main Street Advisory Board. Councilmember Fuller seconded and all voted in favor.
18. CITY MANAGER'S REPORT
 - A. REVIEW AND UPDATE OF COMPREHENSIVE PLAN

- B. PROPOSED AMENDMENT TO HOTEL/MOTEL TAX ORDINANCE
 - C. CURRENT ROAD PROJECTS - ETHERIDGE, NORTH AND SOUTH PACIFIC, FOSTER, ROLLIN, TYLER
 - D. CURRENT PARK PROJECTS – CHERRY CREEK PARK, SOCCER FIELDS
 - E. RENOVATION OF ADMINISTRATION BUILDING AT CITY ANNEX AND OF CEDC/MAIN STREET OFFICE AT PLAZA MUSEUM
 - F. AUCTION OF SURPLUS EQUIPMENT
 - G. EMPLOYEE SAFETY TRAINING
 - H. ENFORCEMENT OF FOOD ESTABLISHMENT ORDINANCE
 - I. CODE COMPLIANCE ISSUES
 - i. DEMOLITION OF BUILDING AT 207 SOUTH BUFFALO
 - ii. OLD SLAUGHTER HOUSE ON TERRELL STREET
 - iii. LEWIS CHEVROLET WASH BAY
 - iv. TEMPORARY BUILDING AT CAR WASH ON DALLAS STREET
 - v. TAYLOR SERVICES BUILDING ON HIGHWAY 19 SOUTH
- A. Mr. McCuiston said he contacted the company who originally developed the Comprehensive Plan to obtain an estimate for updating it and the zoning ordinance. He said their estimate was \$87,000 and he felt he could locate another company who would charge less.
- B. Mercy Rushing said she felt the hotel/motel ordinance should be updated. The ordinance currently stated sales tax should be charged when renting out three or more rooms. The state law allowed the tax to be charged when renting out one or more rooms. She said the ordinance should read we should collect hotel/motel tax if they charged a minimum of \$2 to rent out a room. She said an ordinance would be drafted by the next meeting.
- C. Mr. Malone said they were working on the punch list for Etheridge Road. North and South Pacific had been seal-coated. Foster and Rollin streets were also completed. Tyler Street was next on the list. The bad spots would be fixed and the street would be asphalted. Two tie-ins were to be made on Athens Street and then they would go up College Street to the east. Eubank Drive would be fixed also.
- D. Mr. Malone reported the first phase of the Cherry Creek Park grant was complete. The pavilions, the volleyball court and the amphitheater were finished. Next, they would start on the soccer fields.
- E. Mr. Malone said they were waiting on Verizon to install the phone lines at the new administration annex. Moving would commence as soon as the lines were ready. Some of the renovations on the Main Street offices were started.
- F. Mr. Malone reported an auction of the surplus equipment was held January 17, 2009. Sixteen items were auctioned for a net revenue of \$26,000 to the City.
- G. Coy Prather said the goal of the Safety Committee was to establish a safety handbook and the City Manager was in the process of reviewing it. The committee also had a training session with Oncor, obtained hardhats and safety vests for employees, purchased first aid kits and implemented a \$50 reimbursement policy for safety boots. Eyewash stations were installed and CPR masks were purchased. They were researching an ID program for city employees who dealt with the public.

- H. Coy Prather reported he met with the health inspector. Mr. Prather set a goal to look at the restaurants in town two or three times a year and report any violations to the health inspector. Anything that could pose an immediate health hazard, he would have corrected immediately. Most of the food establishments he has seen have been clean with no improper food handling. A few have had a problem with cleanliness.
- I. Coy Prather reported Mr. Hilliard's building was demolished and removed at 207 S. Buffalo. Mr. Hilliard had made assurances he would continue to work on the area. He has not yet done anything in the building where he intends to have an apartment that required a building permit. Mr. Prather has inspected the whole building. Mr. Prather said he spoke to Henry Lewis about washing cars at the dealership. They have a drainage canal which drains into his pasture. Mr. Prather informed Mr. Lewis he would have to have a grease trap interceptor and he has contacted a plumber about installing one. Mr. Lewis said he felt it was fine to have a car wash operate on Highway 64 while he was remodeling. There were three months left on his permit and then the car wash business would move. Mr. Prather spoke to the owners about the Taylor building. They pulled a permit eight years ago and again in 2005 to remodel the building. At the time they pulled the permits, the building met code. Mr. Taylor planned to remove the part of the building that stuck out when it was warmer. He said he would also spruce up the building and bring it back up to code. Mr. Malone said things were being relocated inside the building. A building permit expired after six months. He said Mr. Taylor has remodeled the first and second floors but not the third. Mr. Prather said he would notify them if they did any remodeling without a permit they would receive a citation. The owner would not let him go into the private areas and told Mr. Prather he was up to code. Mr. Prather reported last year he had five substandard buildings demolished, performed over 700 building inspections on over \$40 million worth of businesses. He also had twenty junk vehicles removed.

Mercy Rushing said the Van Zandt Historical Commission told her the owner had previously said they would clean up and fix the slaughter house area but never did. Historical markers could not be put up without the owner's permission. Mayor Wilson suggested the owner be contacted. Cary Hilliard said Mr. Lewis contacted the owner at one time to purchase the building and make it a historical building but the owner was not interested. He said the Edgewood Historical Commission might want to move the building to Edgewood. The building had some original tools still inside.

EXECUTIVE SESSION


A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

- 19. **EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) –**

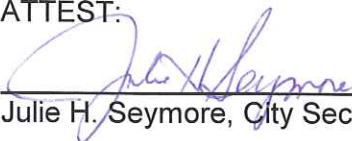
Mayor Wilson called a brief recess at 8:09 p.m. The Council convened in closed session at 8:20 p.m. for deliberations regarding the potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

20. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 8:56 p.m. with no action taken.
21. ITEMS FOR FUTURE AGENDAS – Mayor Wilson said the called meeting would cover the Emergency Services District, city marketing, zoning amendments, the collection of delinquent utilities and items from Mr. Burton in addition to the matter held over from tonight. Mr. McCuiston said the First Monday plan would also be discussed, including the lock and leave building. Mr. McCuiston indicated the matters had already been discussed with the First Monday Committee.
22. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 8:59 p.m. upon motion by Councilmember Nicklas and second by Councilmember Fuller.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JANUARY 27, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, Ross Maris, Clay Nicklas and Ron Sanford. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Rick Malone, Lonny Cluck and Mercy Rushing were also in attendance, as well as Building Inspector Coy Prather, Fire Chief Charles Bazhaw, Municipal Court Judge Lilia Durham, and City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Rusty Wilson called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was led by Rick Malone.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None

INDIVIDUAL CONSIDERATION

5. CONSIDER APPROVAL TO PROCEED WITH EMERGENCY SERVICES DISTRICT (ESD) PROPOSAL – Chief Charles Bazhaw said the fire department's response area

covered an 80-square mile area around the city. They received \$400 per month from the County to cover the area outside the Canton's city limits. The number of incidents they have responded to outside the city limits has increased from 288 in 2006 to 455 in 2008. He felt an Emergency Services District would be a win-win situation for residents both in and outside the city. Chief Bazhaw proposed the ESD assess a property tax of \$.10 per \$100 valuation to pay for emergency services in the district. It was also proposed the tax only affect citizens outside the city since city residents were already paying taxes for the service. Mayor Wilson pointed out the ESD would have to be voted on by those in the unincorporated areas. Wear and tear on the city's equipment was reaching the point where the fire department could not continue service outside the city limits. Councilmember Maris expressed concern that while the fire department was responding to an incident in the county, the city was left unprotected. Additional equipment could be purchased if an ESD were in place. The amount of volunteers has decreased and the department had to hire more paid employees. Chief Bazhaw said he has received positive feedback on the ESD from city residents. The County Clerk, County Judge and Commissioners were taking a neutral position. He said Judge Koches seemed to favor a county-wide ESD.

County Clerk, Charlotte Bledsoe, said she has had three groups approach her regarding the establishment of an ESD. She said the chance of having a May election on the issue was very slim. The last date for Commissioners to order an election was March 9. A public hearing would have to be held first and notice would have to be published twenty-one days before that hearing. She would have to receive a petition before then and check the registered property owners within the district. Ms. Bledsoe felt the work needed to be started now to be able to hold an election on the matter in November. If there were an election for a county-wide ESD, it probably could not be held until next May.

Jimmy Woodard from the Office of Rural Community Affairs spoke about his experience helping ESD's get established throughout the state. What drove the need for the emergency services district was money. There were 275 ESD's in Texas. 95 or so work very successfully because everyone worked together. Mr. Woodard said the Constitution gave the authority for local citizens to vote and impose an ad valorem tax for the use of funding emergency services. The maximum rate set for that tax was \$.10 per \$100 value. Five commissioners would need to be appointed to oversee the tax dollars collected. ESD commissioners are appointed by the County Commissioners for two-year terms on a staggered basis. The tax money collected could only be used for emergency services. Last May, there were nine ESD elections throughout the state and all but one passed. This May, there would probably be twelve. Petitioners must be landowners. If a district boundary line goes through someone's property, the number of acres to be taxed by the district had to be determined. One option would be to exclude the city from the district. The ESD would contract with the city to respond outside the city limits. Several ESD's operated that way. The ESD was always a separate entity from the city. Mr. Woodard was unsure if the State Legislature would pass anything affecting ESD's this term.

Mr. McCuiston said Littlefield had the county pay them \$600 for every run and the county billed the recipients \$300 additionally. If the \$300 was not paid, they placed a lien on the property. He said Canton has tried billing the insurance company to have them pay for the service. He would like to be more aggressive in collecting that from the insurance companies. Mayor Wilson indicated he would like to discuss the issue further and have both Councilmembers Sanford and Maris involved. Mr. McCuiston said he would bring it up at a later date.

6. CONSIDER ADOPTION OF ORDINANCE NO. 2009-02 AMENDING HOTEL/MOTEL TAX ORDINANCE NO. 2008-08 DEFINING HOTEL ACCOMMODATIONS AS THE RENTAL OF ONE OR MORE ROOMS AT THE RATE OF \$2.00 OR MORE – Mayor Wilson said they had received clarification on the state law regarding hotel/motel tax. The only difference was the change from three rooms rented to one. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-02 amending hotel/motel tax Ordinance No. 2008-08 defining hotel accommodations as the rental of one or more rooms at the rate of \$2.00 or more. Councilmember Sanford seconded and all voted in favor.
7. CONSIDER ADOPTION OF RESOLUTION NO. 2009-02 APPROVING CANTON ECONOMIC DEVELOPMENT CORPORATION AMENDED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009 – Mr. McCuiston reported he met with each councilmember at the Plaza Museum and reviewed the project. Rick Malone said he asked people to bid on the project but did not have a lot of response. Councilmember Fuller reviewed the cost breakdown of sheetrock, wood trim, metal framing and insulation and felt the individual costs were in line with what the industry charged. Councilmember Huddle felt some of the prices were too high. Mr. Malone said the ceiling height and furr downs caused the job to be more labor intensive. He said the city would be doing some of the cabinet work. Mr. McCuiston doubted the project would cost the estimated \$52,000. Mercy Rushing said the total carpentry work for the job was \$37,500, which was below the \$50,000 required to bid out the job. They did not have to obtain bids for the furnishings, office equipment and air conditioning. Mayor Wilson indicated the actual bid for construction was \$24,596. Four separate sections were involved. The City acted as the general contractor. Councilmember Fuller made a motion to adopt Resolution No. 2009-02 approving Canton Economic Development Corporation's amended budget for fiscal year beginning October 1, 2008, and ending September 30, 2009. Councilmember Sanford seconded and all voted in favor.
8. DISCUSS AND CONSIDER APPROVAL OF FIRST MONDAY MASTER PLAN UPDATE – Andy McCuiston presented the First Monday Master Plan update. He reported transfer fees on open lots had outgrown their usefulness and had been eliminated. A change was made for open lot vendors who wanted to vacate lots. Now, those lots would automatically come back to the city and not be transferred. A new lease has been negotiated with Billy Jack Deen for an additional fifteen years. Another \$15,000 would be spent on improving the electrical for the RV park this year. Rates that were previously raised have been slightly lowered again and Civic Center vendors were given an additional discount for parking their RV's. Other ideas in the plan were: (1) raising lot rent \$5 per lot which could generate an additional \$107,160 per year; (2) placing a landmark tower which could be seen from a distance; (3) raising the rates for scooter vendors who have use of the entire grounds; (4) having tiered lot rents for lots in high traffic areas; (5) increasing the amount of use for the grounds other than First Monday such as with walking, bicycling or running events; (6) allowing construction of buildings by both vendors and the city; and (7) improving the creek through the park. They would start at Highway 19 and work downstream. They would reroute the creek and construct a retaining wall to reclaim areas that flood. Other ideas were to (1) install roll-up doors on the trade centers and charge extra for the lots; (2) add doors on Trade Center IV to make it a lock and leave building; or (3) obtain property in the Main Gate area and incorporate downtown with First Monday. Mr. McCuiston said they would be constructing a road from Flea Market Road to Row 11 which would come out by Little Street. He also hoped to expand the Civic Center with break-out rooms to accommodate larger and smaller events. Another idea was to have storage buildings with sleeping quarters on the west side of the grounds. Covered walkways could be used to control traffic flow. A landscaping plan needed to be developed for the grounds. One of the first areas to address was the creek wall between

Rows 94 and 11. They could provide additional rest areas and perhaps put in a food court. A new road could be constructed behind the Civic Center and out the Senior Citizens parking lot. A parking lot for vendors and shoppers along Row 41 would help open up the grounds. A delivery service run by a vendor or the city would eliminate or minimize driving on the grounds by shoppers and vendors. Also suggested was a two-tram system going from the west parking lot to the Main Gate and Civic Center. Mr. McCuistion also wanted to update the wireless system which would improve cell phone use on the grounds during busy months and help vendors using credit card machines. Another suggestion was to reassess the way shoppers crossed Highway 19. There also needed to be better signage on the grounds as well as better row markers. They have considered selling signage on the grounds to major vendors. Mr. McCuistion said a 10,000 s.f. building on Row 48 would have a possible payback period of 5-7 years if they charged \$1.25 per square foot. The building and foundation were estimated to cost \$300,000. The City would probably ask CEDC to invest \$500,000 toward the building. Mayor Wilson said the engineering for the building would be \$38,000. He also pointed out the building would have to have a raised floor. Councilmember Huddle said the steel for the floor structure alone was \$120,000. Mr. McCuistion said he just needed an estimate to request the funds from CEDC but the building would be put out to bid. Councilmember Maris said he would like to include fixing Trade Center IV as part of the overall plan. Mr. McCuistion said they might be able to construct a new bathroom in that area to improve traffic. Councilmember Maris made a motion to approve the First Monday Master Plan update as submitted by Mr. McCuistion with the knowledge it would be revised, as needed, from time to time. Councilmember Sanford seconded and all voted in favor.

Mayor Wilson called a recess at 7:31 p.m. The meeting resumed at 7:41 p.m.

9. **DISCUSS AND CONSIDER APPROVAL OF CITY MARKETING AND ADVERTISING MASTER PLAN** – Mercy Rushing said her first goal was to develop a marketing plan for the city and First Monday. The objective was to research the current marketing and advertising and to gather future media venues and implementation. \$163,389 was spent for advertising in 2007-2008 – 34% for billboards, 28% for television, and 12% for magazines. The University of Texas at Dallas survey showed the customer profile was a Caucasian female in the city who would spend \$100-500 during one trip. The customer took day trips with friends approximately five times per year and shopped for antiques, home décor and special deals. The survey also indicated word of mouth was the most common way people learned of First Monday. BIGResearch Firm indicated the customer was an active person who liked inserts, coupons and direct mail.

The marketing goal was to establish a marketing and tourism board to review the annual market plan made up of people in business who have input on how to market the community. Ms. Rushing recommended a five-member board which represented the Chamber of Commerce, First Monday, the Historic Preservation Group and the arts and service industry. The board would work toward maximizing the hotel/motel income to the city and put together a marketing plan for Council approval.

Another goal of the plan was to develop an image campaign for the City. Ms. Rushing said all the players in Canton should be consistent with the city's image, be professional in their presentation and materials, and build credibility within the community. She suggested developing a Canton media kit, rack cards with all the city's attractions and contact information. She said Main Street had identified five different entrances to the city which needed structures that welcomed visitors to the city. She said she would speak with someone at TxDOT in Austin about funding for the signs.

There were also questions about where to concentrate the advertising. She has taken out an ad in calendar inserts for Frisco, Plano, Allen and McKinney which should go to 118,000 homes directly. A logo on the calendars indicated First Monday dates. Ms. Rushing said most of the television and cable advertising was going to Shreveport and Oklahoma but had been changed to the D/FW area to channels that appealed to women. She also suggested hiring a company that could place First Monday higher up on the hit list on the internet. Ms. Rushing questioned placing ads in the Canton Guide when the people who saw it were already at First Monday. She felt hotel/motel funds should be spent to bring people to town. She said she has been doing all the free listing online that she could. Ms. Rushing also recommended an 800 number for people to call First Monday such as 877-CANTON-0 or 877-SHOP-BIG for a cost of \$25 per month. Mayor Wilson suggested 877-4-CANTON. Ms. Rushing substituted the Northeast Texas Tourism Association with East Texas Tourist Association to see if it gave the city more exposure. The Chamber would help with travel shows. Ms. Rushing recommended advertising with Silver Star Media-NBC for six months on Ellen and the Today Shows. The ads would only be seen in the Dallas metroplex. She also wanted to stop advertising on The Ranch and add an Hispanic radio station. KMOO and True Country could be used for special events. She wanted to have someone attend a Houston show, Dallas Visions, and San Antonio and Austin. She would attend the Tyler show, Round Top, McKinney, Motor Speedway show and Oklahoma to recruit new vendors. She wanted to keep the Forney billboard and look for locations for Dallas billboards.

The budget amount for advertising and an image campaign was \$250,000. Councilmember Maris said Mr. Michael had suggested several owners share in the cost of advertising. Ms. Rushing said Mill Creek was arranging a meeting of the main owners to see if an arrangement could be made. She also suggested using part of the hotel/motel tax revenue to pay for a full-time assistant for CEDC who could help with the travel shows and work with the various boards and Chamber. Ms. Rushing said now was not the time to abandon marketing and advertising but to shape and define it to make every message count. Successful people considered advertising an investment, not an expense.


EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

10. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – The Council convened in closed session at 8:28 p.m. for deliberations regarding potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

11. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:59 p.m. with no action taken.
12. ITEMS FOR FUTURE AGENDAS – None
13. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 9:02 p.m. upon motion by Councilmember Huddle and second by Councilmember Maris.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

**CALLED JOINT MEETING OF THE CANTON CITY COUNCIL AND
BOARD OF DIRECTORS OF CANTON ECONOMIC DEVELOPMENT CORPORATION
5:15 P.M., TUESDAY, FEBRUARY 17, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103**

MINUTES

The Canton City Council met in a joint session with the Canton Economic Development Corporation at the above-named date and time in the City Hall Council Chambers. Councilmembers present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, Ross Maris, Clay Nicklas and Ron Sanford. Economic Developments Directors present were Ernie Barbee, Ross Maris, Ron Sanford, Susan Gummelt, and Joe Groves. Jack Etheridge was absent. City Manager Andy McCuistion, Directors Mercy Rushing and Lonny Cluck, and City Attorney Richard Davis were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:15 p.m. and declared a quorum present.


EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

2. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) - The Council and CEDC convened in closed session at 5:16 p.m. for consultation regarding potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

3. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council and CEDC reconvened in open session at 5:55 p.m. with no action taken.
4. ADJOURN – There being no further business to discuss, Mayor Wilson adjourned the meeting at 5:55 p.m. upon motion by Councilmember Fuller and second by Councilmember Nicklas.


 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, FEBRUARY 17, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, Ross Maris, Clay Nicklas and Ron Sanford. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, and Directors Rick Malone, Lonny Cluck and Mercy Rushing were also in attendance, as well as Building Inspector Coy Prather, Police Chief Mike Echols, Fire Chief Charles Bazhaw, Municipal Court Judge Lilia Durham, and City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:09 p.m. and declared a quorum present.
2. INVOCATION was led by Rick Malone.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS – None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Rachel Ericson, owner of Canton Bakery, addressed the Council regarding her concerns about the parking issue around the downtown square. The signs limiting parking to two hours were taken down when the sidewalks were renovated and never replaced. During First Monday, shoppers parked on the square all day long to save the \$4 parking fee. She felt merchants should be allowed to have reserved spaces for their customers. Ms. Ericson also questioned why the two hour parking around the square where signs existed was not enforced. She wanted to know why business owners were not given first priority. She requested one designated space for her delivery car on Highway 64. The counties of Henderson, Kaufman and Smith all enforced two-hour parking limits on their squares. Ms. Ericson requested the two-hour signs be put back around the square and that they be enforced. She also requested the attorneys and family members with business at the courthouse to park in the designated area. Ms. Ericson further requested she be allowed to have an outside smoking area on the Highway 64 side of her business.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM JANUARY 21 AND 27, 2009, CITY COUNCIL MEETINGS – The Minutes from the January 21 and 27, 2009, City Council meetings were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Fuller.
8. CONSIDER APPROVAL OF JANUARY 2009 FINANCIAL STATEMENTS – Julie Seymore reported a total cash balance for January of \$4.2 million and a debt service of \$7.37 million, which was a decrease by \$15,000. The City had total revenue of \$3.9 million, which represented approximately 30% of the total budget. Property taxes received were \$510,000 and sales tax receipts were \$725,000 to date. She clarified sales tax receipts were up 14% this January from last January. The January 2009 financial statements were unanimously approved upon motion by Councilmember Maris and second by Councilmember Huddle.
9. PUBLIC HEARING ON PETITION FOR VOLUNTARY ANNEXATION OF 3.80-ACRE TRACT IN J. DOUTHIT SURVEY, A-198, LOCATED ON HIGHWAY 19 SOUTH, OWNED BY TOMMY ADUDELLE, R. ANN ADUDELLE, T.A. HALE, AND SALLY M. HALE – Julie Seymore explained the property was located south of the easement to the CEDC property on Highway 19 south. It was adjacent to property within the city limits and had water and sewer lines already to the property line. The owners planned to develop the property commercially. The first public hearing on the petition for voluntary annexation of the 3.80-acre tract in the J. Douthit Survey, A-198, located on Highway 19 South, owned by Tommy Aduddel, R. Ann Aduddel, T.A. Hale and Sally M. Hale was opened at 6:21 p.m. Mr. Aduddel explained they planned to construct professional buildings on the property. There being no further comments, the public hearing was closed at 6:22 p.m. Ms. Seymore stated a second public hearing would be held February 24, 2009, at 6:00 p.m. and the final vote on the annexation would be at the regular Council meeting in March.
10. CONSIDER REQUEST FROM COLE CALDWELL FOR PERMIT TO SOLICIT SUPPLEMENTAL INSURANCE IN CANTON, TEXAS – Cole Caldwell requested a permit to solicit supplemental cancer, extended care and life insurance in town. Heritage Life Insurance Company, based in Cleveland, Ohio, has been doing business in Texas seventeen years. They have had zero complaints and zero unpaid claims. Mr. Caldwell said his office was located in Dallas. He said selling door to door allowed better pricing. Mayor Wilson said he had no issue with a permit being granted. Mr. Caldwell said it would take him approximately one year to work his way through Canton. He typically worked from 11:00 a.m. to 8:00 or 9:00 p.m. He generally set up appointments beforehand. Richard Davis advised the ordinance did not allow the City to control the time period for the sales, just the length of time for which the permit was issued. Councilmember Fuller made a motion to allow Mr. Caldwell a permit to solicit supplemental insurance in Canton, Texas, for a period of six months. The permit would have to be renewed upon expiration. Councilmember Nicklas seconded and all voted in favor.
11. CONSIDER REQUEST FROM ED PICKETT FOR AMENDMENT TO ORDINANCE NO. 2009-01 EXCLUDING WINERIES FROM PROHIBITION OF SMOKING IN EATING ESTABLISHMENTS – Ed Pickett, Savannah Winery, requested the new smoking ordinance exempt wineries to allow smoking in the outside eating area. There would be no smoking in the restaurant. Councilmember Huddle felt the ordinance should be tightened. He said the state was considering a statewide smoking ban that would supersede anything the City had in place. Julie Seymore advised the current ordinance would go into effect March 1. It did not take into consideration the First Monday concessions. She said the Council could take no action, except wineries, make an

exemption for outdoor eating areas or reduce the length from the entrance where smoking would be allowed. Ms. Ericson said she had a similar situation with the bakery and the outside eating area. She could not lock the side door because she would be in violation of the fire code. Julie Seymore reported House Bill 5 and Senate Bill 544 both proposed legislation to ban smoking in all public places. Mayor Wilson said he was not in favor of designating areas where people could smoke. Councilmember Huddle made a motion to leave the ordinance as it was passed. There being no second, the motion failed. Councilmember Sanford made a motion to allow smoking in designated outside eating areas. Councilmember Fuller seconded. Councilmember Huddle opposed. Motion passed with all others voting in favor.

12. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-03 AMENDING ORDINANCE NO. 2003-08 LIMITING PARKING IN THE DOWNTOWN AREA** – Mr. McCuistion said the staff recommendation was to have two-hour parking on the downtown square only, not on the side streets. He wanted to put the two-hour parking signs back downtown and put additional signs showing the locations for additional parking. Mr. McCuistion said the two-hour parking would be enforced as soon as new signs were installed. Judge Durham advised the fine ranged from \$50 to \$200. Mayor Wilson said the Council had decided to enforce the two-hour parking and later determine what other action was needed. Councilmember Maris requested the two hour parking be enforced seven days a week. Mayor Wilson explained the Council had decided not to have designated merchant parking. Julie Seymore noted the new ordinance would not affect the floral shop's designated space. Chief Echols advised enforcing the two-hour parking would be difficult on weekends due to reduced manpower. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-03 amending Ordinance No. 2003-08 limiting parking on the downtown square to two-hour parking seven days a week. Councilmember Maris seconded and all voted in favor.

13. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-04 ESTABLISHING REGULATIONS FOR CITY PERMITS FOR PARADES AND DEMONSTRATIONS** – Julie Seymore explained the ordinance proposed permits for parades and demonstration to be issued by the Police Chief. The applicant would give background information on the organization, the purpose and place and time. It was basically a registration with the City in order to allow the allocation of services. It was not intended to prohibit the right to free speech. The application could be denied if it would unreasonably block traffic, deny police protection or other city services to the citizens, or if another event was already scheduled. It could also be denied if false information was given on the application, if it would bring harm to the citizens or if the applicant refused to comply with the rules. Exceptions were for funeral processions, Armed Forces, or for governmental agencies acting in the scope of their regular functions. There would be no permit fee. There was no existing ordinance. The applicant would use established parade routes unless the Chief designated an alternate route. Applicants would have to come before Council for permission for anything else. Any event on public property would require a permit from the Chief of Police. Councilmember Sanford requested there be a requirement no objects would be thrown during a parade. Councilmember Maris made a motion to adopt Ordinance No. 2009-04 establishing regulations for city permits for parades and demonstrations with the amendment that the application be made at least seven days prior to the event and restricting items from being thrown during parades. Councilmember Fuller seconded and all voted in favor.

14. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-05 ESTABLISHING REGULATIONS FOR SOLICITING, SELLING OR TAKING ORDERS FOR ANY GOODS, WARES, MERCHANDISE OR SERVICES, SOLICITING DONATIONS, OR FOR THE**

DISTRIBUTION OF HANDBILLS WITHIN THE CITY LIMITS OF CANTON, TEXAS, AND PROVIDING FOR THE ISSUANCE AND REVOCATION OF PERMITS – Julie Seymore said the ordinance addressed three major issues: (1) Door-to-door solicitations would require a permit from Council. No solicitations would be allowed if signs were posted. (2) Distribution of advertising would require a permit from the Council. It would not be allowed on a state right-of-way. The police chief could limit activity based on unsafe conditions. Handbills could not be placed on private property or vehicle without the owner's consent or on any uninhabited private premises. (3) A permit would also be required from the Council for solicitation of donations on public property. This was previously limited to nationally-recognized non-profits or Canton 501(c)(3) or collecting for charities. Reasonable restrictions would be placed based on traffic conditions and safety hazards. The time frame would be limited to a maximum of four consecutive daylight hours. A minimum age of twelve and adult supervision would be required. Richard Davis said the ordinance applied only to solicitation of sales. It did not apply to religious groups handing out cards. They could pass out PAC's if they were not raising funds. Ms. Seymore said no exceptions were built into the ordinance at this time. Mayor Wilson said he would be in favor of allowing a church, school or civic organization to be exempt from a permit. Richard Davis recommended a permanent exemption for all churches located in the city, anyone else would have to obtain a permit. Mayor Wilson suggested an exemption for Canton churches, schools or civic organizations. Councilmember Sanford suggested adding Martins Mill School to the exemption because of its proximity to Canton's businesses. Mr. McCuiston said we did not want to allow the distribution of literature on the First Monday grounds because it added cleanup work for city employees. The item was placed on a future agenda for further consideration.

15. CONSIDER APPROVAL TO CONSTRUCT A LOCK AND LEAVE BUILDING AT FIRST MONDAY TRADE DAYS PARK FUNDED BY A CANTON ECONOMIC DEVELOPMENT CORPORATION GRANT – Mr. McCuiston stated the Canton Economic Development Corporation had approved funding for a building for a 10-year period so the engineer could develop a bid. Mayor Wilson said he would like to see a prospectus on profitability for the building to know whether or not to move forward. Mr. McCuiston said after the bid process was completed and the specifications were developed, he would come back to the Council with the additional information. Mr. McCuiston said the rentable square footage of the building was approximately 6,480. He said interest costs were not included in the figures he had given because it would be a grant without interest. Councilmember Maris said the building had an estimated cost of \$500,000 but might come in closer to \$400,000. He felt more companies would be inclined to give bids at this time. He felt the City should have more First Monday projects that produced income because there had been a decline in revenue over the years. Councilmember Maris felt this was an important project which should be expedited. Mayor Wilson requested a diagram of the number of booth spaces. He wanted to see a true business plan behind the building. Ray Brumley estimated it would take sixty days to design the building. Mayor Wilson said if the building issue were resolved in thirty to sixty days, the building could be built by September or October. Councilmember Huddle advised the concrete work would take longer than constructing the building. Mayor Wilson said the flooding issues on the grounds had been addressed. Mr. McCuiston said the next step would be obtaining bid specifications. Mayor Wilson informed Council the CEDC grant could be approved with the exception of the final dollar amount and the construction of the building. Mr. McCuiston said he wanted the revenue from the new building to be restricted first to build additional buildings and then for capital improvements on the grounds. Ms. Seymore said Council could approve receipt of the CEDC grant and the task order on the next item to start the process. Mercy Rushing added the grant must be passed with the caveat that CEDC would reimburse the expenses. Mr. McCuiston said the City would pay the invoices.

Councilmember Maris suggested the design show the elevation of the building. Mayor Wilson said the idea was for the building to pay for itself within five years. Mr. McCuiston said the price per square foot charged for rental would depend on what the market would bear. Councilmember Maris suggested Councilmember Huddle act as a consultant with the engineers to steer the plans along as quickly as possible. Councilmember Maris made a motion to approve the funding from CEDC for engineering plans to construct a lock and leave building at First Monday Trade Days Park. After that time, the matter would be reviewed again by Council. Upon a second by Councilmember Sanford, all voted in favor.

16. CONSIDER APPROVAL OF BURTON ENGINEERING TASK ORDER FOR FIRST MONDAY TRADE DAYS LOCK-AND-LEAVE BUILDING PROJECT – Mr. McCuiston pointed out \$38,000 would pay for the design and survey stage. If the building was not approved, Mr. Brumley said the only thing owed would be for the work done to that point. Councilmember Nicklas made a motion to approve the Burton Engineering Task Order for the First Monday Trade Days Lock and Leave Building project. Councilmember Maris seconded and all voted in favor.
17. CONSIDER VARIANCE TO 1985 FLOOD DAMAGE PREVENTION ORDINANCE FOR PROPOSED CITY OF CANTON LOCK AND LEAVE BUILDING ON ROW 48 AT FIRST MONDAY TRADE DAYS PARK –

Mayor Wilson called a recess at 7:38 p.m. The meeting resumed at 7:47 p.m.

Mr. McCuiston requested the City be allowed to construct the building at the base flood elevation without the extra six inches per the City ordinance. Mr. McCuiston said if the City were allowed the variance, anyone else who requested it would also be allowed to do so if there was no lodging in the building. He said the level used in the past was 21", although engineers have various opinions. Coy Prather explained FEMA required states to adopt flood plain rules to regulate building in the flood plain. When the City adopted its flood plain ordinance, it agreed to comply with the ordinance in order to receive flood insurance. The ordinance allowed variances under different circumstances. The base flood in each community had maps set up by FEMA. Canton's maps were old, which was part of the problem. If you built in the floodway, you were required to fulfill the requirements of the Code of Federal Regulations and have an encroachment review. If you built in a floodway, you had to have certification from an engineer you would not have a rise in that area. Variances could be granted but you had to build above the base flood elevation or build it as a waterproof structure where the water went around and not through the building. Mr. Prather said a variance could be granted for new construction to build below the base flood. Variances should only be issued for the minimum necessary to afford flood relief. Applicants must be notified in writing that issuance of a variance would result in the premium for flood insurance to be \$25 for each \$100 of insurance on construction. FEMA said Canton had thirty-six individuals with flood insurance. Mr. Prather said he recommended staying with the minimum flood elevation. If FEMA felt the variance was granted without proper justification, the flood insurance could be cancelled. There was a general discussion regarding the level on various parts of the grounds. Ray Brumley said all the information was based off the 1985 FEMA study. Mr. Prather advised elevations for wheelchair ramps over flood elevations could be varied. He said going beneath the base flood elevation was risky. FEMA told Mr. Prather Henry Lewis' businesses on the grounds were built before the FEMA maps were distributed. Carter Clark said the Lewis buildings were not in the 1985 study because they had not yet been constructed. Ray Brumley said a lot of things had changed since the 1985 FEMA map was done but that was what they had to follow. Julie Seymore said no official variances have been considered on the grounds previously. Councilmember Maris made a motion

to grant a variance to the 1985 Flood Damage Prevention Ordinance for the City to build a Lock and Leave Building on Row 48 at the First Monday Trade Days park at the base flood elevation. Councilmember Fuller seconded and all voted in favor.

18. CONSIDER REQUEST FROM SCOTT PERKINS FOR VARIANCE TO 1985 FLOOD DAMAGE PREVENTION ORDINANCE FOR PROPOSED BUILDING ON ROW 11 AT FIRST MONDAY TRADE DAYS PARK – Mr. McCuistion explained Mr. Perkins had requested his building to be one inch above base flood elevation because his building was being constructed where two different levels came together. Councilmember Fuller made a motion to grant the request from Scott Perkins for a variance to the 1985 Flood Damage Prevention Ordinance to build the proposed building on Row 11 at First Monday Trade Days park at 1" above base flood elevation. Councilmember Sanford seconded and all voted in favor.
19. CONSIDER ADOPTION OF ORDINANCE NO. 2009-06 AMENDING THE 2008-2009 FISCAL YEAR BUDGET FOR FIRST MONDAY UTILITY RELOCATION PROJECTS – Mr. McCuistion said the ordinance related to \$85,000 given to the City by CEDC to move utilities on the First Monday grounds. He wanted to reallocate the use of those funds to relocate a few utilities and address some of the drainage issues. Mr. McCuistion proposed rechanneling the creek where a bridge had failed and improving the creek by the new building. With any leftover funds, he suggested rechanneling and installing steel walls on the other creek. The changes would be made to reduce the number of flooding events on the grounds. Mr. McCuistion said the City would try to support the work done by the individual who had the equipment. He said the failed bridges would be busted up and used for fill. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-06 amending the 2008-2009 fiscal year budget for the First Monday Utility Relocation Projects. Councilmember Huddle seconded and all voted in favor.
20. CONSIDER ADOPTION OF ORDINANCE NO. 2009-07 CALLING THE MAY 9, 2009 CITY OF CANTON GENERAL ELECTION TO ELECT A MAYOR AND TWO COUNCILMEMBERS AND DESIGNATING THE POLLING PLACES AND TIMES FOR EARLY VOTING AND ELECTION DAY – Julie Seymore explained the ordinance called the election for May 9 at the Junior High Library. Early voting was at City Hall from April 22 to May 1 at regular business hours and on May 4 and 5 from 7:00 a.m. to 7:00 p.m. Councilmember Maris made a motion to adopt Ordinance 2009-07 calling the May 9, 2009, City of Canton General Election to elect a Mayor and two Councilmembers and designating the polling places and times for early voting and election day. Councilmember Fuller seconded and all voted in favor.
21. CONSIDER APPROVAL OF JOINT ELECTION AGREEMENT WITH CANTON INDEPENDENT SCHOOL DISTRICT FOR MAY 9, 2009 GENERAL ELECTION – Julie Seymore explained the agreement was for separate elections but to share the polling place on election day. If the school cancelled its election, it would cost the City \$150 to use the building. Councilmember Sanford made a motion to approve the Joint Election Agreement with Canton Independent School District for the May 9, 2009, General Election. Councilmember Fuller seconded and all voted in favor.
22. CONSIDER APPROVAL OF CONTRACT WITH ATLAS ENTERPRISES, INC. FOR JULY 4TH FIREWORKS DISPLAY – Julie Seymore said the proposed contract was for the same show as last year but the cost was \$500 more. The finale could be reduced by thirty shells to keep the cost the same at \$12,500. The proposed rainout day was July 5. Mayor Wilson recommended the \$13,000 contract with the same show as last year. Councilmember Fuller made a motion to approve the contract with Atlas Enterprises, Inc. for the July 4th fireworks display. Councilmember Sanford seconded and all voted in

favor.

23. CONSIDER ADOPTION OF RESOLUTION NO. 2009-03 DESIGNATING 5.01 ACRES AT CHERRY CREEK PARK AS NATURAL OPEN SPACE IN PERPETUITY – Julie Seymore said as a condition of the grant the City was required to designate five acres to remain in its natural state. The Committee recommended five acres on the south side of the park creating a natural buffer between that area and residences. It was approximately a one hundred foot strip. Councilmember Nicklas made a motion to adopt Resolution No. 2009-03 designating the 5.01 acres at Cherry Creek Park as natural open space in perpetuity. Upon a second by Councilmember Huddle, all voted in favor.
24. CONSIDER ALL MATTERS RELATED TO DELINQUENT UTILITY BILLS – Julie Seymore explained the City's current policy was to cut off past due accounts on the 26th of each month. On January 26 of this year, a more proactive approach was taken and everyone with a past-due balance was cut off. The customers had to pay the whole amount due or sign a payout agreement. The balance of past-due amounts was reduced from \$29,000 to \$18,000 and there were agreements signed on most accounts. Some old inactive accounts were also closed and would be written off. A collection agency would be contacted regarding the collection of accounts over ninety days past due. Mayor Wilson said the City needed to offer a payout up front before they were cut off. Julie Seymore said that was very difficult administratively. The customers were not usually cut off until they were two months behind. Mayor Wilson instructed an article be placed in the newsletter about the policy. Ms. Seymore also said penalties were waived from this point forward for those signing payout agreements until the payout period was complete. She suggested waiving past penalties to enable customers to pay the amount off more quickly. Councilmember Maris said the accounts should never be allowed to get to that stage. It made it more difficult for individuals to pay the amount off. Mr. McCuistion said anyone who tried to work out an arrangement with the City was not cut off. Councilmember Fuller made a motion to accept the policy as proposed. Councilmember Maris seconded and all voted in favor.
25. CITY MANAGER'S REPORT
 - J. WESTERN SWING – Mr. McCuistion said all the information was not in and he would report on the event at the next regular meeting.
 - K. VAN ZANDT COUNTY DAYS IN AUSTIN – Mercy Rushing reported they rode the bus to Austin and met with TxDOT, the Texas Department of Agriculture and the Texas Department of Economic Development regarding their various programs. Mayor Wilson thanked the citizens and Councilmembers who made the trip to represent Van Zandt County.
 - L. DESIGNATION OF FIRST MONDAY TRADE DAYS AS BEST ATTRACTION BY COUNTY LINE MAGAZINE – Mercy Rushing said First Monday had received a certificate from County Line Magazine as the best attraction in the upper east side of Texas.
 - M. RENOVATION OF ADMINISTRATION BUILDING AT CITY ANNEX AND OF CEDC/MAIN STREET OFFICE AT PLAZA MUSEUM – Rick Malone reported they were working on the computer servers and the moving process would be started shortly.
 - N. WATER PLANNING AND WATERWORKS – Rick Malone reported bid packages had gone out for the Wynne Road and Water Plant upgrades. He said he had almost completed the development of a five-year plan for the water plant, water system and sewer system. The next step would be to research funding. Mr. McCuistion said they had a meeting with Region D on March 25 to present the City's plan to them.
 - O. ENFORCEMENT OF ORDINANCE PROHIBITING SMOKING IN EATING

ESTABLISHMENTS – Julie Seymore reported a notice was in the paper stating the effective date of the ordinance was March 1. Letters had also been sent to all eating establishments regarding the ordinance.

- P. ENFORCEMENT OF HOTEL/MOTEL OCCUPATION TAX ORDINANCE – Julie Seymore said letters would go out this week to all the lodging establishments in the Canton area about the change to the ordinance regarding collection of the Hotel Occupancy Tax for the rental of one or more rooms in the City and ETJ. A notice had also been placed in the paper. A meeting was scheduled for March 2 for any of the owners to discuss the matter. New forms were developed for reporting taxes.
- Q. BANK DEPOSITORY CONTRACT – Mr. McCuiston said Franklin Bank had been taken over by Prosperity Bank. The meetings with Prosperity made him inclined to send out bid packages for a new bid depository contract.
- R. EMERGENCY SERVICES DISTRICT – Chief Bazhaw said he had not been able to get a clear direction from the County. He wanted to establish an ad hoc committee with people in Canton and asked members of the Public Safety subcommittee to participate. Chief Bazhaw said he would bring the Council additional information once he had recommendations from the committee.

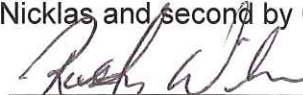
EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

- 26. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) - None

RETURN TO OPEN SESSION

- 27. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
- 28. ITEMS FOR FUTURE AGENDAS – Councilmember Huddle requested the designated parking space for the floral shop be on the next agenda.
- 29. There being no further business to discuss, Mayor Wilson adjourned the meeting at 8:35 p.m. upon motion by Councilmember Nicklas and second by Councilmember Huddle.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, FEBRUARY 24, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Ross Maris, Jim Fuller, Charles Huddle, Clay Nicklas and Ron Sanford. Mayor Rusty Wilson was absent. City Manager Andy McCuiston and Director Lonny Cluck were also in attendance, as well as Building Inspector Coy Prather, Police Chief Mike Echols, Fire Chief Charles Bazhaw, Municipal Court Judge Lilia Durham, and City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Pro Tem Maris called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was led by Councilmember Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Mayor Pro Tem Maris.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None

INDIVIDUAL CONSIDERATION

5. SECOND PUBLIC HEARING ON PETITION FOR VOLUNTARY ANNEXATION OF 3.80-ACRE TRACT IN J. DOUTHIT SURVEY, A-198, LOCATED ON HIGHWAY 19 SOUTH, OWNED BY TOMMY ADUDDLELL, R. ANN ADUDDLELL, T.A. HALE, AND SALLY M. HALE – A public hearing was opened at 6:08 p.m. on the petition for voluntary annexation of 3.80 acre tract in the J. Douthit Survey, A-198, located on Highway 19 South, owned by Tommy Aduddel, R. Ann Aduddell, T.A. Hale and Sally M. Hale. Debra Johnson stated the property was contiguous with property in the city, water and sewer lines were already extended to the property and it was adjacent to the south side of the easement to CEDC's 60 acres. There being no other comments, the public hearing was closed at 6:12 p.m.
6. CONSIDER ADOPTION OF RESOLUTION 2009-04 SUPPORTING ONCOR STEERING COMMITTEE BY ENDORSING CERTAIN LEGISLATIVE CHANGES TO ENHANCE THE COMPETITIVE ELECTRIC MARKET – After a brief explanation of the resolution by Mr. McCuiston, Councilmember Sanford made a motion to adopt Resolution 2009-04 supporting the Oncor Steering Committee by endorsing certain legislative changes to enhance the competitive electric market. Upon second by Councilmember Fuller, all voted in favor.
7. CONSIDER ADOPTION OF ORDINANCE NO. 2009-03 AMENDING ORDINANCE NO. 2003-08 LIMITING PARKING IN THE DOWNTOWN AREA – Mr. McCuiston explained there had been some confusion at the last meeting about the ordinance. He explained the proposed Alternate A ordinance stated there would be two-hour parking around the downtown square only with no provision for special exception permits. The Alternate B version was for two-hour parking and it allowed the City Manager to grant exceptions for certain businesses. Councilmember Sanford made a motion to adopt Alternate A of the Ordinance No. 2009-03 amending Ordinance No. 2003-08 limiting parking in the downtown area which did not allow for special exception permits. Councilmember Fuller seconded and all voted in favor.
8. CONSIDER DESIGNATED PARKING SPACE FOR ALL CANTON FLORAL DELIVERY VEHICLE – Dorothy Miller of Canton All Floral said she was granted a designated parking space for her business several years prior. She said she was the only business in town with deliveries as a major part of the business and it was essential for her to have a

parking space for her van. After a brief discussion, Council decided to take no action and allow Ms. Miller to keep her designated parking space.

9. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-05 ESTABLISHING REGULATIONS FOR SOLICITING, SELLING OR TAKING ORDERS FOR ANY GOODS, WARES, MERCHANDISE OR SERVICES, SOLICITING DONATIONS, OR FOR THE DISTRIBUTION OF HANDBILLS WITHIN THE CITY LIMITS OF CANTON, TEXAS, AND PROVIDING FOR THE ISSUANCE AND REVOCATION OF PERMITS** – Debra Johnson reviewed the changes made since the last draft, which included eligibility for Canton and Martins Mill schools to request a permit to solicit donations at the downtown intersection. She also pointed out language was added that an adult was to directly supervisor minor children at all times. Councilmember Fuller suggested an amendment be made to require the participants meet all ASE regulations for clothing to make sure they were visible. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-05 establishing the regulations for soliciting, selling or taking orders for any goods, wares, merchandise or services, soliciting donations or for the distribution of handbills within the city limits of Canton, Texas, and providing for the issuance and revocation of permits with the suggested amendment. Councilmember Huddle seconded and all voted in favor.
10. **REPORT ON INTERNAL FIRST MONDAY AUDIT** – Mr. McCuiston reported a little over \$500 was missing from the log cabin after First Monday in January. The matter had been turned over to the police and an investigation had been conducted, which included polygraphs, but there was no conclusive answer as to who took the money. He said an internal audit had been done of the procedures used for handling money during First Monday. The area where money was held has been restricted from community service and non-office personnel. Mr. Cluck said there was an incident several years ago where money was taken from the Log Cabin during a night-time burglary. He said those were the only two incidents he was aware of where money was missing from First Monday.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.074.

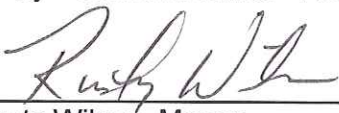
11. **EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074)** - The Council convened in closed session at 8:00 p.m. for consultation regarding personnel matters.

RETURN TO OPEN SESSION

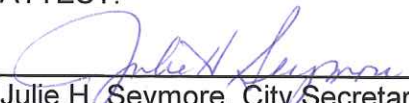
12. **RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION** – The Council reconvened in open session at 8:40 p.m. Mr. McCuiston explained he met with Council regarding changes to the organizational chart. He suggested Lonny Cluck be appointed Assistant City Manager over Operations at his current salary, effective immediately. He also wanted to appoint Rick Malone as Operations Supervisor with the following primary responsibilities: oversight of First Monday grounds and the Parks Department; facilities administration; capital improvements/grants and ITT operations. Mr. Malone would also be charged with saving the City approximately \$200,000 in energy costs by September 2010. Mr. Malone's salary would stay the same at this time until other Operations Supervisors were at the same level. Councilmember Fuller made a motion to accept the new organizational chart as described by Mr. McCuiston. Councilmember Nicklas seconded and all voted in favor.

13. ITEMS FOR FUTURE AGENDAS

14. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 8:45 p.m. upon motion by Councilmember Nicklas and second by Councilmember Huddle.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL

6:00 P.M., TUESDAY, MARCH 17, 2009

City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, Ross Maris, Clay Nicklas and Ron Sanford. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Building Inspector Coy Prather, Police Chief Mike Echols, and Municipal Court Judge Lilia Durham. City Attorney Richard Davis was also present.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION given by Councilmember Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS – Julie Seymore mentioned there was a Welcome Home event on Monday night for Elmer Sims, a Marine from Edgewood.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Gary Hardin, owner of the Canton Square Bed and Breakfast, asked for clarification on the ordinance regarding two-hour parking on the square. He said the ordinance seemed to be in effect twenty-four hours a day, seven days a week. He said restricting parking on the square after five and on weekends would devastate his business. Mayor Wilson confirmed the ordinance was meant to be twenty-four/seven but they would readdress the matter at a future council meeting. Debbie Davis, owner of Old Mill Market, requested the research data the Council used to make the decision to fund

another building on the City's First Monday Grounds. Mayor Wilson said no plans had been completed at this time and the Council had only approved funds for the engineering phase. He suggested she meet with Mr. McCuiston to discuss the matter.

INDIVIDUAL CONSIDERATION

7. **CONSIDER APPROVAL OF MINUTES FROM FEBRUARY 17 AND 24, 2009, CITY COUNCIL MEETINGS** – The minutes from the February 17 and 24, 2009, City Council meetings were unanimously approved upon motion by Councilmember Nicklas and second by Councilmember Huddle.
8. **CONSIDER APPROVAL OF FEBRUARY 2009 FINANCIAL STATEMENTS** – Julie Seymore reported Cash in the bank at the end of February 2009 was \$4.6 million, which was an increase of \$411,000 over the previous month. The debt service balance was \$7.35 million. \$15,000 of short-term debt was paid down and the next long-term debt payments were due July 1. Property taxes received were \$815,750 and sales tax receipts were \$985,751. The February 2009 Financial Statements were unanimously approved upon motion by Councilmember Sanford and second by Councilmember Maris.
9. **CONSIDER REQUEST FROM STEVE SMITH AND BROOKE THOMAS FOR PERMIT TO SOLICIT FLOOR COVERING DOOR-TO-DOOR IN CITY OF CANTON** – Mr. Smith clarified they wanted the permit to distribute flyers to advertise with businesses and individuals for marketing purposes only, not for direct sales. Councilmember Fuller made a motion to grant a six-month permit to Steve Smith and Brooke Thomas for the distribution of advertising door-to-door in the City of Canton. Councilmember Huddle seconded and all voted in favor.
10. **REPORT BY CALVIN SCATES ON OLD SLAUGHTER HOUSE CONSIDER ANY ACTION PURSUANT THERETO** – Calvin Scates said he received a letter from the City regarding the condition of the slaughterhouse. He apologized for the condition of the building and grounds. Mr. Scates expressed a desire to refurbish the building and make it a gathering place for people to visit and learn the history of the building and of Canton. He needed additional time to gather wood from a barn built during the same time period to keep the building to the standards of the Historical Society. Mr. Scates felt six months might give him enough time to do what he needed to do. Mayor Wilson requested Mr. Scates work closely with Lonny Cluck and Coy Prather to get the building cleaned out and back in good operating order. He instructed Mr. Cluck to give a report on the building at the next Council meeting. Cary Hilliard commented the last thing that should be done to the building would be to tear it down. It was an important part of Canton history.
11. **CONSIDER AWARD OF BANK DEPOSITORY CONTRACT** – Mr. McCuiston reported the City requested bids for a new bank depository contract upon advice of legal counsel. Two bids were received and analyzed by Conway & Associates. Julie Seymore said American National Bank offered interest on checking equal to Federal Funds plus-30 basis points. CD rates were 2.1% for five year CD's. There would be no service charges unless the cost of checks exceeded \$2000 a year. It was a strong institution. Prosperity Bank offered a lower interest rate on checking, but 3% for a five-year CD. There would be no service charges except for checks and deposit slips and overdraft charges. Conway found American National offered superior service and a history of a conservative philosophy. Conway recommended American National Bank unless CD's would be a major part of the required services. The contract would begin May 1, 2009. Mr. McCuiston said they checked with five banks in town and only received two bids. He recommended accepting the American National Bank bid. Councilmember Maris made a

motion to award the bank depository contract to American National Bank. Councilmember Huddle seconded and all voted in favor.

12. **CONSIDER AWARD OF CONSTRUCTION CONTRACT FOR 2008 WYNNE ROAD WATER SYSTEM IMPROVEMENTS (TCDP CONTRACT NO. 728030)** – Ray Brumley explained the contract was for a new water line from FM 859 down Wynne Road to the church on the right where there was an existing six-inch water line. The City received a grant for the project. Burton Engineering reviewed the references for the contractors and highly recommended Stan's Backhoe, the low bidder from the twenty bids received. Mr. McCuiston said the amount budgeted for the project was \$381,000 and the bid from Stan's Backhoe was \$99,000 below that. Councilmember Sanford made a motion to award the construction contract for the 2008 Wynne Road Water System Improvements (TCDP Contract No. 728030) to Stan's Backhoe in the amount of \$219,112.80. Councilmember Fuller seconded and all voted in favor.
13. **CONSIDER AWARD OF CONSTRUCTION CONTRACT FOR 2009 WATER TREATMENT PLANT IMPROVEMENTS – VALVE AND TROUGH REPLACEMENT** – Ray Brumley explained the filter troughs and valves had been in place since the plant was built. Burton Engineering reviewed the bids and references and recommended the low bidder, Associated Construction Partners, who bid \$248,550. Councilmember Maris made a motion to award the construction contract for the 2009 water treatment plant improvements to Associated Construction Partners as recommended. Councilmember Huddle seconded and all voted in favor.
14. **PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-08 ADOPTING DROUGHT CONTINGENCY PLAN** – Ray Brumley reported the Drought Contingency Plan should have been updated in 2005 and was out of compliance. Corey Hogue of Burton Engineering said the plan had to be updated as part of the water reuse permit process. He took the existing plan and updated the trigger conditions to reflect the current water elevations at the lake and make it easier for operators to understand. Councilmember Maris felt there were some pretty severe restrictions that occurred in a drought situation and felt the plan for the water situation should be finalized quickly due to the current drought conditions in the state. Mr. McCuiston said it would cost \$1.8 million for a new well. There were specific requirements regarding the location of one well in relation to another. Mayor Wilson opened a public hearing at 6:39 p.m. on the adoption of Ordinance No. 2009-08. There being no comments, the public hearing was closed at 6:39 p.m. Councilmember Maris made a motion to adopt Ordinance No. 2009-08 adopting the drought contingency plan. Councilmember Sanford seconded and all voted in favor.
15. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-09 ANNEXING 4.00-ACRE TRACT IN D. TOWNS SURVEY, A-845, LOCATED AT 64890 HIGHWAY 64 EAST, OWNED BY THE CITY OF CANTON** – Mr. McCuiston explained the property was the old TxDOT site where the police department and city annex were located. He recommended following Section 43.026 of the Local Government Code allowing a city to annex any city-owned property. The annexation could be challenged for a three-year period. Other cities had done the same thing successfully. Councilmember Huddle made a motion to adopt Ordinance No. 2009-09 annexing the 4.00-acre tract in the D. Towns Survey, A-845, located at 24980 Highway 64 East, owned by the City of Canton. Councilmember Sanford seconded and all voted in favor.
16. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-10 ANNEXING 3.80-ACRE TRACT IN J. DOUTHIT SURVEY, A-198, LOCATED ON HIGHWAY 19 SOUTH, OWNED BY TOMMY ADUDELLE, R. ANN ADUDELLE, T.A. HALE, AND SALLY M. HALE** – Julie

Seymore reported two public hearings had been held on the annexation. The property was located adjacent to the First State Bank of Ben Wheeler and adjacent to the current city limits. Water and sewer services were already available. Councilmember Fuller made a motion to adopt Ordinance No. 2009-10 annexing the 3.80-acre tract in the J. Douthit Survey, A-198, located on Highway 19 South, owned by Tommy Aduddel, R. Ann Aduddel, T.A. Hale and Sally M. Hale. Councilmember Maris seconded and all voted in favor.

17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-11 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON 3.8-ACRE TRACT OF LAND LOCATED OFF HIGHWAY 19 SOUTH (ADJACENT TO FIRST STATE BANK OF BEN WHEELER), OWNED BY TOMMY AND ANN ADUDEL AND T.A. AND SALLY HALE – A public hearing was opened at 6:48 p.m. regarding the adoption of Ordinance No. 2009-11 effecting a zoning change from Rural Agricultural to General Business District (B-2) on a 3.8-acre tract of land located off Highway 19 South owned by Tommy and Ann Aduddel and T.A. and Sally Hale. Julie Seymore explained this was the newly-annexed property. The area automatically was annexed as Rural Agricultural. The owners requested General Business (B-2) zoning. Adjoining property owners had been notified, it was consistent with the future land use plan, and the Planning & Zoning Commission recommended the change. There being no further comments, the public hearing was closed at 6:51 p.m. Councilmember Sanford made a motion to adopt Ordinance No. 2009-11. Councilmember Nicklas seconded and all voted in favor.
18. PUBLIC HEARING AND CONSIDER ORDINANCE NO. 2009-12 AMENDING 1985 ZONING ORDINANCE REGARDING REGULATION OF PRIVATE CLUBS WITHIN THE CITY LIMITS OF CANTON, TEXAS – Coy Prather explained the ordinance would restrict private clubs within 1000 feet of a school and 300 feet from a church, daycare or hospital. The school requested the city have the 1000 foot restriction. The ordinance also set the fees based on what was allowed by the Texas Alcohol Beverage Commission. The Planning & Zoning Commission reviewed the ordinance and recommended its passage. A public hearing was opened on Ordinance No. 2009-12 amending the 1985 Zoning Ordinance regarding regulation of private clubs within the city limits of Canton, Texas, at 6:52 p.m. Edith Elliott said she did not think this type of business was needed in Canton. Richard Davis explained that without the ordinance, the city had no basis for denying any applications for private clubs in town. The State limited the amount of restrictions a general law city could impose. Mayor Wilson clarified the city had no control over this type business in the extraterritorial jurisdiction. The public hearing closed at 7:01 p.m. Councilmember Sanford made a motion to adopt Ordinance No. 2009-12 amending the 1985 Zoning Ordinance regarding regulation of private clubs within the city limits of Canton, Texas. Councilmember Nicklas seconded and all voted in favor.
19. CONSIDER APPOINTMENTS TO AD-HOC COMMITTEE TO REVIEW ZONING REGULATIONS FOR SEXUALLY-ORIENTED BUSINESSES WITHIN THE CITY LIMITS OF CANTON, TEXAS – Richard Davis said the ordinance also gave the city the opportunity to restrict certain types of businesses as the law allowed. Federal courts have held cities could not arbitrarily limit SOB's because it was a violation of their constitutional rights. Courts have recognized the secondary effects such businesses might have in a community such as loss of property values and increased crime. Reasonable restrictions have been allowed as long as the city was able to show the reasons behind the restrictions. He recommended Council appoint a committee of five or six individuals who could review the law and research what other cities have been doing in order to report to Council and give a recommendation on how to proceed. Signage, lighting, distances

between businesses, etc. could all be considered. The committee would solicit testimony from real estate experts in the area to obtain information about how such businesses could affect property values in the area. Mr. Davis said the courts have not upheld regulations on SOB's for off-premises use. There was a survey done by TML regarding this issue which also needed to be reviewed. Ed Sanders volunteered to serve on the committee. Mayor Wilson suggested some names be recommended to Council at the next meeting.

20. CONSIDER ADOPTION OF RESOLUTION 2009-05 APPOINTING ELECTION JUDGE, ALTERNATE JUDGE, AND EARLY VOTING BALLOT BOARD FOR MAY 9, 2009 GENERAL ELECTION – Julie Seymore said the Resolution appointed Don Bullard as the election judge and Kay Murphree as alternate judge. The resolution also gave the election judge authority to hire clerks for the election. Councilmember Nicklas made a motion to adopt Resolution 2009-05 appointing an election judge, alternate judge and early voting ballot board for the May 9, 2009 General Election. Councilmember Maris seconded and all voted in favor.
21. CONSIDER CONTRACT FOR ELECTION SERVICES WITH VAN ZANDT COUNTY FOR MAY 9, 2009 GENERAL ELECTION – Julie Seymore explained the City contracted each year with the County at a cost of \$500 for the use of election equipment. Councilmember Sanford made a motion to approve the contract for election services with Van Zandt County for the May 9, 2009, General Election. Councilmember Nicklas seconded and all voted in favor.
22. CONSIDER ADOPTION OF RESOLUTION NO. 2009-06 APPOINTING DEBRA JOHNSON, RITA RAGSDALE AND CHANDRA ELLIOT DEPUTY CITY SECRETARIES – Julie Seymore explained in order to be eligible as an early voting clerk, an individual had to be a registered voter in the city or a permanent employee in the City Secretary's office. The resolution allowed these individuals to be early voting clerks at City Hall. Councilmember Fuller made a motion to adopt Resolution No. 2009-06 appointing Debra Johnson, Rita Ragsdale and Chandra Elliott as Deputy City Secretaries. Councilmember Huddle seconded and all voted in favor.
23. CITY MANAGER'S REPORT
 - A. WATER PRESSURE PROBLEMS IN AREA OF ETHERIDGE FARMS SUBDIVISION – Ray Brumley said they were 60-70% complete with the design and are scheduled to go through the bid phase in mid-April. The contract would be awarded in May and construction would begin then. He was in the process of finding a route for the water line by going through some back property on Mill Creek. He said the booster station would be built at Industrial Park IV. The project should be completed in September. Corey Hogue said the estimated cost for construction was \$200,000. Mr. Brumley said it should improve water pressure in the subdivision of Sides Circle and Forrest Drive. Mr. Hogue said the City did not currently meet the state requirements for minimum pressure of 35 psi at Etheridge Farms. It was now currently 31 or 32 psi. With this project, the pressure should be around 45 psi. Mr. McCuiston instructed Mr. Brumley to look into the cost of using an eight-inch rather than a six-inch line for the project.
 - B. FIRST MONDAY FLOODPLAIN IMPROVEMENTS – Mr. McCuiston said he and Lonny Cluck, Coy Prather and Carter Clark met with Leon Curtis, the engineer with the water resources board and the area representative over the National Flood Insurance program. Mr. Curtis did a small audit of the structures on the First

Monday grounds and gave them a game plan to stay in compliance with the program. Mr. Curtis said if a study were done which showed the buildings would not raise the level of the floodplain more than one foot in the community, a lot more building could be done on the grounds with a reduction in cost. Mr. McCuistion said he had been attempting to get cost estimates for the study.

- C. WESTERN SWING – Mercy Rushing said it was the first year for the Western Swing. The receipts grossed \$23,903.04 and expenditures were \$41,609.89. The budget for the event was \$50,000. Net loss for the event was \$17,788.85. Local purchase receipts put in the hopper at the event totaled \$3,380.14. Local businesses contributed to the event for a total of \$5,150.67. Using those numbers and an economic multiplier of four, she determined the funds generated within the community were approximately \$20,602.68. She estimated the total outcome of the festival results with the multiplier was \$16,334.39. Councilmember Huddle said he did a survey and found about eighty rooms were rented for that weekend. There were approximately two hundred forty total hotel rooms available in the city. The only business he found who said business was up was Easley's. Ms. Rushing said her multiplier did not include hotel receipts, just the receipts put into the hopper. The hopper receipts indicated the following was spent: Robles \$153, Savannah Winery \$110, WalMart \$564.64, Factory Connection \$107, Easley's \$427.42, Circle B \$270.99. Ron Perkins said they had done a survey on behalf of the citizens and had estimated a total of \$25,905 for both days. His survey included the RV's that were rented. Ms. Rushing said she spoke to the hotels and Best Western felt they did well that weekend. They probably did best because they offered a group discount. Kay Murphree felt the event did not bring funds into the city and the City overspent on local advertising. Mayor Wilson said at some point the events would have to pay for themselves. Ms. Rushing was working with him on the advertising and improving attendance. Ms. Rushing said advertisements were placed in the Swing Festival Guide which went nationwide. They also advertised locally through SuddenLink on TV in the Dallas and Tyler areas. \$5000 was spent on advertising. Edith Elliott said she enjoyed the Western Swing and felt that type of entertainment should be sponsored more often because it was good wholesome entertainment. She commended Mr. and Mrs. Fuller for the work they did. Ms. Rushing stated the addresses obtained through checks would be used to send out advertising for the Bluegrass Festival. Councilmember Fuller said he was asked by Johnny Mallory and Raymond Pruitt several years prior to help with the Bluegrass Festival because it was not successful. He has never asked for any compensation for producing the event other than reimbursement to attend the Bluegrass Music Convention in Nashville. He and Mrs. Fuller had 1,720 volunteer hours of time spent on the event. He offered to resign if anyone felt he was not doing a good job. Mayor Wilson said he heard several comments on the admirable job done by Mr. Fuller. He did feel there were certain things which could be improved upon. Mr. McCuistion said it was a good thing to have folks come into the community, although it was not good to lose money on the events. Mayor Wilson said the community had a lot to offer visitors and the City was fortunate to have First Monday.
- D. FINES AND WARRANTS – Judge Durham said deposits were 30% less than last year. She said she had contracted with a collection firm but they were not given any information until December. Deposits year-to-date were \$77,000. The court was being proactive in collections.
- E. APPOINTMENTS TO BOARDS AND COMMISSIONS - Julie Seymore reported the CEDC would like to make recommendations at their next meeting for appointments

in April. Chris Ingram had indicated he was not able to serve again. Jack Etheridge and Ron Sanford were also up for reappointment. The Planning & Zoning Commission had Elisa Heard, Kerry Huddle and Bud Surles terms ending in May. The Board of Adjustment also had Tina Ingram, Josh Smetak and Dan McLemore whose terms expired in May. They also needed a new alternate.

- F. CITY / CEDC OFFICE RENOVATIONS – Mr. McCuistion said the staff was still working on the kitchen at the Plaza Museum. Mercy Rushing and Pat Stephens moved into their offices. The staff had moved to the City annex.

Mayor Wilson called a brief recess at 7:46 p.m.


EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – The Council convened in closed session at 7:54 p.m. for consultation regarding real property.

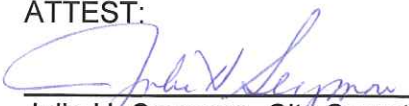
RETURN TO OPEN SESSION

25. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:47 p.m. with no action taken.
26. ITEMS FOR FUTURE AGENDAS – Mayor Wilson requested appointments for CEDC, Planning & Zoning and the Board of Adjustment be considered. He also suggested the Council review the City Manager's performance at the next meeting. Mayor Wilson also requested the water conservation plan ordinance be reviewed. Mr. Davis requested the downtown parking issue be placed on the agenda. Councilmember Fuller said he would like to discuss vacant buildings. Mr. McCuistion said the two hour parking would be painted on the curbs once Rickey Daniels completed asphaltting Tyler Street. Councilmember Fuller also recommended having a towing ordinance.
27. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 8:53 p.m. upon motion by Councilmember Maris and second by Councilmember Huddle.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., THURSDAY, APRIL 23, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, Ross Maris, Clay Nicklas and Ron Sanford. City Manager Andy McCuistion, City Secretary Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Building Inspector Coy Prather, Police Chief Mike Echols, Municipal Court Judge Lilia Durham, and City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was given by Virgil Melton.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS
 - a. RESOLUTION FROM THE STATE OF TEXAS HOUSE OF REPRESENTATIVES RECOGNIZING FEBRUARY 4, 2009, AS VAN ZANDT COUNTY DAY AT THE STATE CAPITOL – Julie Seymore reported a resolution was passed by the Texas House of Representatives recognizing Van Zandt County Days. Mayor Wilson expressed his appreciation to all those who went to Austin on the trip.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - John Hamm felt the City should restrict all signs if they were going to restrict garage sale signs. He suggested permitting the signs and charging \$1.00 per sign. Mayor Wilson thanked Mr. Hamm and stated the Council could take no action on the matter at this time.

Edith Elliott said Canton was a wonderful small town and people moved here because they liked the ambiance of a small town. She thought everyone should work together and vote at the next election. Serving on the council was a thankless job that took a lot of time and the citizens should appreciate the people willing to serve. It was our duty as citizens to vote for the people of our choice.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM MARCH 17, 2009, CITY COUNCIL MEETING - The minutes from the March 17, 2009, City Council meeting were unanimously approved upon motion by Councilmember Fuller and second by Councilmember Sanford.
8. CONSIDER APPROVAL OF MARCH 2009 FINANCIAL STATEMENTS – Julie Seymore reported a total cash balance of \$4.6 million after a monthly net decrease of \$32,000. The debt service was \$7.3 million. The next bond payment was due July 1 for \$952,680.50. The year-to-date budget showed revenue at \$12.8 million, which was about 46% of what

was anticipated. Expenses were \$5.9 million, about 42% of the amount budgeted. Sales tax figures were up approximately 3.68% for the year. Councilmember Sanford made a motion to approve the March 2009 financial statements. Councilmember Maris seconded and all voted in favor.

9. CONSIDER REQUEST FROM GRACE FAMILY CHURCH FOR PERMIT TO SOLICIT CHARITABLE DONATIONS AT DOWNTOWN INTERSECTION FOR YOUTH CAMP – Kim Covey from Grace Family Church requested the children be allowed to solicit donations at the Buffalo/Hwy. 64 intersection to raise money for youth camp. She said many of the children came from low income and single parent families and could not afford the cost of the camp. She said an adult would be present for every child. Councilmember Sanford made a motion to grant the request from Grace Family Church for a permit to solicit charitable donations at the downtown intersection on May 15 and 16, 2009. Councilmember Nicklas seconded and all voted in favor. Ms. Seymore requested Ms. Covey come by her office for the permit.
10. CONSIDER REQUEST FROM ANDERSON EXPRESS 95 FOR PERMIT TO SOLICIT DONATIONS AT DOWNTOWN INTERSECTION TO ATTEND SOFTBALL WORLD SERIES IN FLORIDA – Ms. Seymore explained the request was from a Van Zandt County select girls' softball team. One Canton student was on the team. They were raising funds to play in the World Series in Florida. Mayor Wilson said he was not opposed to anything that helped children. Councilmember Sanford made a motion to grant a permit for the Anderson Express 95 team to solicit donations at the downtown intersection of Buffalo and Hwy. 64 on May 8 and 9, 2009. Councilmember Nicklas seconded and all voted in favor. Councilmember Maris asked Ms. Seymore to remind the team adult supervision was mandatory. She noted restrictions would be included on the permit.
11. CONSIDER AGREEMENT WITH VAN ZANDT COUNTY FOR FIRE RESPONSE SERVICES IN THE COUNTY – Item 11 was discussed out of order at 6:10 p.m. County Commissioners Ron Carroll, Dwayne Harvey, Rick LaPrade, and Virgil Melton were present, as well as County Judge Rhita Koches. Mayor Wilson thanked the Commissioners for attending.

Charles Bazhaw gave a brief chronology of events to date. Mr. McCuiston said the City had come to the point where they were funding \$200,000 for fire protection in the County. The City was willing to work with the County to find a solution. City taxpayers should not be required to fund this without adequate compensation.

Judge Koches said she would like to alleviate any panic that people in the county would not have fire protection. She said the Emergency Services District was not a county decision. The state statute sets out how they were formed. A petition with 100 signatures was necessary before the Commissioners Court could call an election. The Commissioners Court has no say in how the City spends the money for its fire department. She would like to know what those figures were based on and what the operating budget would be if the City did not go into the county. The \$400 per month the County paid to the City was part of almost \$20,000 the County paid. She also requested the County pagers be returned if the City was no longer using them. Judge Koches suggested a meeting with the Commissioners to see if an agreement could be reached. She said the county firefighters association met once a month and was a good place to get information.

Mayor Wilson explained the number was determined by looking at the overall budget and dividing it by the total number of calls for the year. He added he did not want anyone to

go without fire service. Volunteers were more difficult to get and the City had to hire full-time firefighters. He felt a good starting point was for the council and commissioners to meet to come up with a solution. Mayor Wilson requested the public safety councilmen be appointed as Council representatives in this matter. Mayor Wilson noted if an emergency services district were passed, its own Board would determine how the money was spent.

Councilmember Maris pointed out the older equipment being used by the Canton Fire Department. Canton covered eighty square miles. The City was left unprotected when the firefighters were out in the county. Judge Koches noted there were twelve other fire departments in the county. Mr. McCuiston said he felt the Councilmembers and Commissioners could come together and develop a solution to this issue.

12. CONSIDER AWARD OF EMERGENCY RADIO COMMUNICATIONS EQUIPMENT FUNDED BY DEPARTMENT OF HOMELAND SECURITY GRANT – Mr. McCuiston said this matter would be deferred until the next meeting due to some issues with the bid received.
13. CONSIDER AWARD OF CONSTRUCTION CONTRACT FOR RENOVATIONS TO ETHERIDGE LANE AND MALINDA LANE – Mr. Cluck said one bid was received from Jack Daniel Construction for \$43,220.75. Mr. McCuiston said the funds would come from the CO money remaining from the Etheridge Road project. Mr. Cluck said the company would probably sub out the concrete work. After a brief discussion regarding the cost of the project, Councilmember Maris made a motion to award the construction contract to Jack Daniel Construction for renovations to Etheridge Lane and Malinda Lane if Mr. Cluck could not determine within thirty days if the City could sub out the work at a lower cost. Councilmember Sanford seconded and all voted in favor.
14. CONSIDER ADOPTION OF ORDINANCE NO. 2009-13 ENACTING A CODE OF ORDINANCES FOR THE CITY OF CANTON – Julie Seymore explained American Legal Publishing took the City's existing ordinances, did a legal review, and assembled them into one document which could be easily referenced. Slight modifications were made if the law in the ordinance conflicted with more current statutes. The building and zoning ordinances were referenced in the document but not included due to their size. New ordinances will be added every year. The website for American Legal has these ordinances online and will be linked to the City's website. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-13 enacting a code of ordinances for the City of Canton. Councilmember Huddle seconded and all voted in favor.
15. CONSIDER ADOPTION OF ORDINANCE NO. 2009-14 PROHIBITING THE PARKING OR STANDING OF VEHICLES AND ALLOWING A TOW-AWAY ZONE FOR SUCH VEHICLES PARKED DOWNTOWN – Mr. McCuiston explained the existing ordinance restricted parking to two hours around the square twenty-four hours a day, seven days a week. Per previous Council discussion, the ordinance restricting the parking Monday through Friday only was proposed. Mr. McCuiston said when Tyler Street was restriped, the curbs would be marked two hour parking only. Councilmember Nicklas reminded everyone Chief Echols felt the ordinance would be hard to enforce during First Monday weekends. Chief Echols said vehicles would be towed only if they were repeat offenders. Judge Koches requested the old signs put up in 1996 be removed. Councilmember Huddle made a motion to adopt Ordinance No. 2009-14 prohibiting the parking or standing of vehicles and allowing a tow-away zone for such vehicles parked downtown limiting it to Monday through Friday only from 8:00 a.m. to 5:00 p.m. with tickets issued unless there were repeat offenders. Councilmember Fuller seconded and all voted in favor.

16. CONSIDER ADOPTION OF ORDINANCE NO. 2009-15 ADOPTING A WATER CONSERVATION PLAN – Corey Hogue of Gary Burton Engineering said the original plan was passed in 2000 and the proposed ordinance updated that plan. The plan specifies a goal for water use per person per day of 145 gallons per person in 5 years and 140 gallons in 10 years. The plan should be updated every five years. The City would track its water usage and could actually fine someone for exceeding the amount allotted in drought conditions. Mayor Wilson said citizens needed to be informed on ways to conserve water. Mr. McCuiston said the state encouraged cities to develop pricing packages for water based on the amount used. Mr. McCuiston said the City was working on a more proactive approach to code enforcement such as door hangers requesting homeowners to fix certain problems. Councilmember Nicklas made a motion to adopt Ordinance 2009-15 adopting the water conservation plan. Councilmember Maris seconded and all voted in favor.
17. CONSIDER ADOPTION OF ORDINANCE NO. 2009-16 AMENDING THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009 - Mr. McCuiston said he would like to defer the matter to the next meeting in order to get some final estimates on several projects. He explained some of the budget adjustments needed. He did not expect to get the impact fees for Deer Meadows Development originally included in the budget. The sewer dump fees and transfer station fees were down. Hotel taxes would be increased by \$15,000 based on the previous year end and the audit that was done. The First Monday building impact fees no longer existed. The sidewalk grant project was finished in 2009 instead of 2008. There were also unanticipated repairs on old fire-damaged timbers required at the Plaza Museum. Ray Brumley pledged to have the high pressure station put in by September. The design was 75-80% complete and he received easement approval from three property owners.
18. CONSIDER ADOPTION OF RESOLUTION NO. 2009-07 AUTHORIZING AND APPROVING \$325,000 LOAN FROM THE AMERICAN NATIONAL BANK OF TEXAS TO CANTON ECONOMIC DEVELOPMENT CORPORATION – Mercy Rushing reported the CEDC had approved by resolution the purchase of property at 390 W. Dallas. The purpose of the purchase was for future redevelopment in that area and to widen an entrance to the First Monday grounds. She was working with Mr. Brumley on a drawing for that area. CEDC received loan proposals from all four area banks and received the best deal from American National Bank.
19. CONSIDER APPOINTMENTS TO CANTON ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS – Mayor Wilson said Jack Etheridge and Ron Sanford were willing to serve an additional term. The Board recommended the re-appointment of Messrs. Etheridge and Sanford and the appointment of either Sandra Perry or Karen Hendricks. A motion was made by Councilmember Huddle to re-appoint Jack Etheridge and Ron Sanford for an additional term. Councilmember Fuller seconded. Councilmember Sanford abstained and all others voted in favor. Bob Reese said he felt the board needed a businessperson who could help bring in more full-time jobs to the community. There was a brief discussion on the qualifications of the other candidates. Councilmember Huddle made a motion to appoint Karen Hendricks to the Canton Economic Development Board. Councilmember Sanford seconded. Councilmember Nicklas voted against, all others voted in favor. Mayor Wilson instructed Ms. Seymore to talk to the other candidates to see if they were interested in serving on other boards.
20. CONSIDER APPOINTMENTS TO PLANNING AND ZONING COMMISSION – Mayor Wilson said Bud Surles and Kerry Huddle were unable to continue on the Board due to other commitments. Elisa Heard agreed to serve another term. He suggested the other people who submitted applications for the CEDC be consulted to see if they would serve

on another board. Councilmember Sanford made a motion to re-appoint Elisa Heard to another term. Councilmember Maris seconded and all voted in favor.

21. CONSIDER APPOINTMENTS TO BOARD OF ADJUSTMENT – Mayor Wilson said Josh Smetak and Dan McLemore were willing to serve an additional term. Tina Ingram could no longer serve. Bob Moore was running for councilman. Mr. Clemments, the alternate, was deceased. He requested the other applicants be approached about serving on the Board of Adjustment. Councilmember Maris made a motion to re-appoint Josh Smetak and Dan McLemore for an additional term. Councilmember Nicklas seconded and all voted in favor.
22. CONSIDER APPOINTMENTS TO AD-HOC COMMITTEE TO REVIEW ZONING REGULATIONS FOR SEXUALLY-ORIENTED BUSINESSES WITHIN THE CITY LIMITS OF CANTON, TEXAS – Ms. Seymore advised a notice was put in the paper requesting volunteers. Edith Elliott and Ed Sanders both expressed an interest. It was also suggested councilmembers from the public safety committee serve. Mayor Wilson recommended the police chief serve as an ad hoc member. Richard Davis suggested Coy Prather serve as an ex-officio member. Richard Davis felt he should probably lead the group discussion due to the legalities of the issues involved. Councilmember Fuller made a motion to appoint Edith Elliott, Ed Sanders, council members of the public safety committee, Coy Prather as ex-officio and the police chief as ad-hoc members. Councilmembers Fuller, Nicklas and Huddle voted in favor. Councilmembers Maris and Sanford abstained.
23. CITY MANAGER'S REPORT – Mayor Wilson called a recess at 7:58 p.m. The meeting reconvened at 8:05 p.m.
 - S. MID-YEAR REPORTS
 - T. MAINTENANCE ISSUES AND PROJECTS – Andy Reese reported a workday in the park was scheduled for Saturday. The City was providing a tractor and two employees to load woodchips. Probationers would be used to clean up rocks around the proposed amphitheater. This year's budget included a parking lot. The curbs have been laid out. The restroom facility was built by the City and was now open during daytime hours. A sand volleyball court was completed. Two pavilions were constructed. Picnic tables would be purchased with this budget. A sidewalk was put in beside the amphitheater. They were currently working on renovations to the soccer fields at Old City Lake Park for use in tournaments. They still planned to install a splash pad. They decided to have concrete paths rather than wooden boardwalks due to maintenance issues and cost. Mayor Wilson expressed his appreciation to the Parks Board for their work. He suggested having an event at the park once the amphitheater was completed.

Mr. McCuiston reported on the valve and trough project at the water plant. He also showed photographs of the damage to the Plaza Museum and the new buildings at First Monday.
 - U. AT&T CELLULAR CONTRACT - Mr. McCuiston said AT&T Cellular bought Cingular and was reorganizing cell tower contracts. They proposed an alternate contract reducing the monthly rent. It was possible the City could lose the contract. AT&T wanted to also lengthen the contract but Mr. McCuiston decided to let the 20-year contract expire in 2016. He was also hoping to negotiate some additional temporary service during First Monday. Mayor Wilson instructed Mr. McCuiston to proceed with the negotiations.
 - V. BID REQUIREMENTS - Mr. McCuiston reported bid requirements were researched and the level at which the City was required to go out to bid was

\$50,000. The City was in compliance.

- W. FINES & WARRANTS - Judge Durham said she and the Police Department had executed a warrant roundup on Monday. They cleared sixty-six warrants, placed twelve defendants on payment plans, and ten defendants paid their fines. She deposited over \$8,000 in fine revenue last week. She planned to contact other cities and request they let us know when they have people on our warrant list in custody. Twelve defendants were sitting out their fines in jail.
- X. CODE ENFORCEMENT AND VACANT BUILDINGS - Coy Prather reported 400 inspections in the last six months, twelve junked vehicles removed, one derelict building removed, two citations issued, fifty-six health inspections completed and thirty-one health permits issued. One notice of violation was sent to the health inspector. No apparent work had been done by Mr. Scates on the slaughter house. The owners of the house on Big Rock have started remodeling.
- Y. FIRST MONDAY BUILDING - Mr. McCuiston showed photos of the construction in progress at First Monday.
- Z. FIRST MONDAY VENDOR'S OUTSTANDING BALANCE - Mr. McCuiston reported Paul Michael was rebilled the \$7000 owed on his lease.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Sections 551.072 and 551.074.

- 24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) - The Council convened in closed session at 8:42 p.m. for consultation regarding potential purchase, lease or sale of real property and deliberations regarding personnel matters (City Manager review).
- 25. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) - CITY MANAGER REVIEW

RETURN TO OPEN SESSION

- 26. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 9:12 p.m. Mayor Wilson commended Mr. McCuiston on being able to come into the position of city manager and deal with all the various aspects of First Monday and the city.

The Council convened in closed session at 9:19 p.m. to continue consultation regarding personnel matters. The Council reconvened in open session at 9:26 p.m. Councilmember Huddle made a motion to give the city manager an annual raise based on the average percentage of all the directors' increases unless otherwise directed by Council. The motion was retroactive to the 2008 raises. Upon a second by Councilmember Maris, all voted in favor.

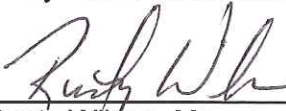
- 27. ITEMS FOR FUTURE AGENDAS - Mayor Wilson requested Councilmember Nicklas step in for Councilmember Sanford on the public safety committee to attend meetings with the County Commissioners. Mayor Wilson also requested Councilmember Sanford meet with the Commissioners as an appointee of the mayor.

Councilmember Huddle made an additional motion to have the city manager's contract amended to include the language that his salary increases would be based on an average

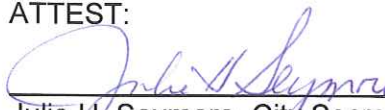
of the percentages of increases given to all the directors unless otherwise directed by Council. Councilmember Maris seconded, and all voted in favor.

Julie Seymore mentioned a special meeting would be necessary to canvass the election. She suggested May 14. Mayor Wilson requested a full update on Athens Street at the next meeting. Mr. McCuistion said a bid would probably have to go out to repair the sewer line there.

28. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 9:35 p.m. upon motion by Councilmember Sanford and second by Councilmember Huddle.


Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
1:00 P.M., THURSDAY, MAY 14, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Jim Fuller, Charles Huddle, and Clay Nicklas. Ross Maris and Ron Sanford were absent. City Manager Andy McCuistion and City Secretary/Finance Officer Julie Seymore were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 1:00 p.m. and declared a quorum present.

INDIVIDUAL CONSIDERATION


2. OFFICIAL CANVASS OF MAY 9, 2009 GENERAL ELECTION RETURNS – Mayor Wilson canvassed the results as follows:

Total Voters: 322	Early Voting: 193	Election Day: 129
Mayor's Race –	Rusty Wilson: 204 Votes	(131 Early, 73 Election Day)
Council Member's Race -	Lou Ann Everett: 158 Votes	(92 Early, 66 Election Day)
	Bob Moore: 73 Votes	(43 Early, 30 Election Day)
	James H. (Jim) Fuller: 88 Votes	(63 Early, 25 Election Day)
	John Higginbotham: 129 Votes	(64 Early, 65 Election Day)
	Robert Brockman: 134 Votes	(89 Early, 45 Election Day)

3. CONSIDER ADOPTION OF RESOLUTION NO. 2009-08 DECLARING RESULTS OF MAY 9, 2009 GENERAL ELECTION – Jim Fuller made the motion to adopt Resolution No. 2009-08

declaring Rusty Wilson the newly-elected Mayor and Lou Ann Everett and Robert Brockman newly-elected Council Members of the City of Canton in accordance with the May 9, 2009 General Election results as tabulated and canvassed. Clay Nicklas seconded and all voted in favor.

4. ADJOURN - There being no further business to discuss, the meeting was adjourned at 1:04 p.m. upon motion by Clay Nicklas and second by Charles Huddle.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL

6:00 P.M., TUESDAY, MAY 19, 2009

City Hall Council Chambers

290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris, and Clay Nicklas. City Manager Andy McCuiston, City Secretary Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Building Inspector Coy Prather, Police Chief Mike Echols, and Municipal Court Judge Lilia Durham.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was led by Chief Charles Bazhaw.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. ISSUE CERTIFICATES OF ELECTION, ADMINISTER STATEMENTS OF ELECTED OFFICER AND OATH OF OFFICE TO NEWLY ELECTED MAYOR AND COUNCILMEMBERS – Mayor Wilson announced Lou Ann Everett and Robert Brockman had been elected as councilmembers. Judge Durham executed the oaths to each councilmember and to Mayor Wilson. The new councilmembers took their seats on the Council.
5. PRESENTATION TO OUTGOING COUNCILMEMBERS RECOGNIZING THEIR DEDICATED SERVICE TO THE CITY OF CANTON AND ITS CITIZENS – Mayor Wilson explained a reception was held earlier in honor of retiring Councilmember Ron Sanford who served on the school board, the CEDC, the City Council, and the Fire Department for a number of years. Mayor Wilson read the proclamation regarding Councilmember Sanford's distinguished service and presented him with a service plaque. Mayor Wilson also presented Councilmember Fuller a plaque for his distinguished service to the City,

not only on the Council, but for the Bluegrass Festival and Western Swing.

6. **ORIENTATION OF NEW COUNCILMEMBERS** – Julie Seymore advised new councilmembers should complete open government training within the first ninety days of service. A TML conference was to be held in July or August or on-line training was available. The new members were also provided with a Resolution setting out interactions between staff and councilmembers. They were given the 2004 Comprehensive Plan, the 2008-2009 Budget, and a list of mid-year accomplishments. Ms. Seymore announced there would be a tour of facilities on the following Tuesday at 1:00 p.m.
7. **PRESENTATION TO RECIPIENTS OF CITY OF CANTON FIRST MONDAY SCHOLARSHIP AND RAYFORD HUTCHERSON MEMORIAL SCHOLARSHIP** – Mayor Wilson presented the Rayford Hutcherson Memorial Scholarship to Emily Sterling and the First Monday Scholarship to Jessica Peterson.
8. **DECLARATIONS REGARDING CONFLICTS OF INTEREST** - None
9. **PROCLAMATIONS AND ANNOUNCEMENTS** – None

CITIZEN'S FORUM

10. **CITIZEN'S FORUM** – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None

INDIVIDUAL CONSIDERATION

11. **CONSIDER APPROVAL OF MINUTES FROM APRIL 23, 2009, CITY COUNCIL MEETING** – The minutes from the April 23, 2009, City Council meeting were unanimously approved upon motion by Councilmember Maris and second by Councilmember Everett.
12. **CONSIDER APPROVAL OF APRIL 2009 FINANCIAL STATEMENTS** – Julie Seymore reported the current cash balance was \$4.6 million, the current debt service, including short and long term debt, was \$7.3 million, revenue to-date was \$7.3 million, and net operating to date was \$54,600. Councilmember Brockman made a motion to approve the April 2009 Financial Statements. Councilmember Huddle seconded and all voted in favor.
13. **PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-16 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON 4.0-ACRE TRACT OF LAND LOCATED AT 24980 HIGHWAY 64 EAST, OWNED BY CITY OF CANTON** – Coy Prather explained the property was the site of the Police Department and City Office Complex on Hwy. 64. The property was annexed into the City as Rural Agricultural (RA) and needed to be changed to General Business District (B-2). Mayor Wilson opened a public hearing at 6:16 p.m. on the zoning change from Rural Agricultural to General Business District on the 4-acre tract of land located at 24980 Highway 64 East owned by the City of Canton. There being no comments, the public hearing was closed at 6:17 p.m. Upon the recommendation of the Planning & Zoning Commission, Councilmember Huddle made a motion to adopt Ordinance No. 2009-16 effecting a zoning change from Rural Agricultural (RA) to General Business District (B-2) on the 4-acre tract of land located at 24980 Highway 64 East, owned by the City of Canton. Councilmember Nicklas seconded and all voted in favor.
14. **PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-17 AUTHORIZING A SPECIFIC USE PERMIT FOR A PRIVATE CLUB AT MILL CREEK RV**

PARK AND RESORT PLANNED DEVELOPMENT LOCATED AT 2102 N. TRADE DAYS BLVD., OWNED BY COTTAGE INVESTORS LLC – Coy Prather explained the Planning & Zoning Commission reviewed the request for a private club specific use permit for Mill Creek RV Park. A private club permit is a zoning classification that would allow Mill Creek to store, possess and mix alcoholic beverages on the premises for consumption by members only. Mill Creek's representative had explained they wanted to be able to serve alcoholic beverages during weddings and special occasions for people renting out the facilities. Mill Creek had no control when they allowed people to bring alcohol onto the premises. The Council has the zoning issue to consider. The TABC would decide on the alcohol permit. Mayor Wilson opened a public hearing at 6:21 p.m. regarding the specific use permit for a private club at Mill Creek RV Park and Resort Planning Development located at 2102 N. Trade Days Blvd. owned by Cottage Investors, LLC. There being no comments, the public hearing was closed at 6:21 p.m. Councilmember Brockman made a motion to adopt Ordinance No. 2009-17 authorizing a specific use permit for a private club at Mill Creek RV Park and Resort Planned Development located at 2102 N. Trade Days Blvd. owned by Cottage Investors, LLC. Upon a second by Councilmember Maris, Councilmember Nicklas voted against and all others voted in favor.

15. CONSIDER APPROVAL OF PROPOSAL FOR INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY FOR THE PROVISION OF FIRE SERVICES – Mr. McCuistion requested the item be deferred to the next meeting as the City was in the process of developing an agreement for proposal to the County.
16. CONSIDER FIRST MONDAY LOCK-N-LEAVE BUILDING PROPOSAL – Mr. McCuistion said the business plan previously requested by Council was based on 6,000 square feet in the building for a cost of \$561,000. Staff recommended the elimination of some of the ten-foot fans in the original plans to bring the cost down 10% to \$525,000. It was also recommended the rental per square foot be \$1.25, which would pay for the building in 5.6 years. A rental of \$1.45 per square foot would decrease the payout to 5 years. They wanted to keep the rate lower to keep the building full. The Canton Economic Development Corporation was providing a \$500,000 grant for the project. Mr. McCuistion hoped the differential cost would be made up by not using the contingency fund or by obtaining lower bids. There would still be eight fans at the top of the cupola to accommodate the building. Additional fans could be added later. Mr. McCuistion said he was uncertain at this time how many parking spaces would be available for rent. Twenty-eight vendor spaces were designed inside the building. They hoped to bring in vendors who rented more than one space. Parking spaces would be between the new building and the Paul Michael building under the high lines. There was already a waiting list for vendors to rent spaces. The new building by Trade Center I was renting for \$1.25 per square foot. The building currently under construction on Row 94 was going to rent for \$1.50 a square foot. The spaces in the City's new building would be leased for one year terms and rates would be reviewed annually.

Mayor Wilson said he would like to see how the Scott Perkins' building did before the City made any commitment. Councilmember Maris questioned whether or not the building had to be as high as the Perkins' building. Mr. Prather said the building had to be above base flood elevation. Mr. McCuistion added if the City varied from that, a study would have to be done. Mr. Prather said the ordinance required the building to be six inches above the base flood elevation. Mr. Perkins got a variance to one inch. The base flood line varied according to where you were on the grounds. Buildings over twenty years old were grandfathered and did not have to comply. Councilmember Brockman said he would like the City to proceed with construction of the building. Councilmember Maris concurred. Councilmember Maris said there would be time to determine the rental rate. He felt the

City should be in the forefront of the rates rather than lower than anyone else. Premium spots at other markets brought in more rent. Mayor Wilson suggested having living quarters in some of the areas to bring people in such as vendors who go to Round Top. Mr. McCuiston said the building would be yellow or off white on the outside with dark green trim. Councilmember Maris said a residence building had been mentioned in the long-term First Monday plan. Mr. McCuiston said having apartments would make the building much more expensive because it would have to be re-engineered. Something might be done with the second building as far as living quarters. Councilmember Maris made a motion to start the bid process on the First Monday Lock-N-Leave Building. Councilmember Everett seconded. All voted in favor with the understanding that rates would be decided upon at a later date.

17. CONSIDER ADOPTION OF RESOLUTION NO. 2009-09 AUTHORIZING ORIGINATION OF AMERICAN NATIONAL BANK TREASURY MANAGEMENT SERVICES – Julie Seymore explained the resolution authorized the City Manager or City Secretary to authorize online banking agreements with American National Bank. Councilmember Brockman made a motion to adopt Resolution No. 2009-09 authorizing the origination of American National Bank Treasury Management Services. Councilmember Nicklas seconded and all voted in favor.
18. CONSIDER APPOINTMENT OF MAYOR PRO TEM – Councilmember Maris nominated Clay Nicklas as Mayor Pro Tem. Councilmember Huddle seconded and all voted in favor.
19. MAYORAL APPOINTMENTS TO COUNCIL COMMITTEES – Mayor Wilson made the following committee appointments:

Public Safety and Emergency Management	Ross Maris and Clay Nicklas
Streets / Public Works	Lou Ann Everett and Charles Huddle
Water and Wastewater Planning	Robert Brockman and Ross Maris
Finance / Audit	Lou Ann Everett and Robert Brockman
Parks	Clay Nicklas
20. MAYORAL APPOINTMENTS TO AD-HOC MARKETING ADVISORY COMMITTEE – Mayor Wilson appointed Linda Hatfield, Martha Jane Wallace, Debbie Davis, Jennifer Johnson, Mike Malouf and Johnny Blevins to the ad hoc advertising committee.
21. CONSIDER APPOINTMENTS TO PLANNING AND ZONING COMMISSION – Mayor Wilson mentioned two positions were open. He recommended Sandra Perry be appointed to the Board of Adjustment rather than the Planning & Zoning Commission because she worked with someone who was already on the Commission. Elisa Heard was reappointed at the last meeting. He recommended Brad Williams and Mike Phillips. Councilmember Nicklas made a motion to appoint Brad Williams and Mike Phillips to the Planning & Zoning Commission. Councilmember Huddle seconded and all voted in favor.
22. CONSIDER APPOINTMENTS TO BOARD OF ADJUSTMENT – Mayor Wilson recommended the appointment of Sandra Perry as a regular member and Bud Surles as alternate. Councilmember Nicklas made a motion to appoint Sandra Perry as a regular member to the Board of Adjustment and Bud Surles as alternate. Councilmember Maris seconded and all voted in favor.
23. CITY MANAGER'S REPORT
 - AA.FINES & WARRANTS – Judge Durham reported clearing 24 citations in May bringing in \$9,000. Twenty-nine cases were disposed with jail time served. A second round of letters had been distributed.

BB.MARKETING REPORT – Mercy Rushing said she was proud of the Travel Show she attended in Tyler the previous weekend with the Chamber of Commerce. They had a good response. There was a two-page spread in the Tyler Morning News where she was quoted. She placed an ad in the Travel Section of the Dallas Morning News for half price. AT&T placed a photograph of Canton's lake and the First Monday logo on its current phone book cover that went out to Terrell, Wills Point, Canton and Forney which was equivalent to a \$14,000 value.

EXECUTIVE SESSION


A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

24. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) –

After a brief recess at 6:52 p.m., the Council convened in closed session at 7:02 p.m. for consultation regarding the potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

25. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 7:22 p.m. Mayor Wilson announced no action would be taken. He appointed Robert Brockman, Clay Nicklas, Andy McCuiston, Lonny Cluck, Connie Odic and Ken Perkins to the First Monday Committee.
26. ITEMS FOR FUTURE AGENDAS – Councilmember Huddle said he had received a lot of complaints about scooters on the First Monday Grounds. Mayor Wilson suggested the matter be reviewed first by the First Monday Committee. They could bring any suggestions they had to Council for approval. Julie Seymore said it was time to start setting goals for the next budget year. Mayor Wilson wanted to make sure funds were allocated in the next budget to paint the water tower. Lou Ann Everett suggested allowing Canton citizens to park free at First Monday. Mayor Wilson said that would need to be considered by the First Monday Committee.
27. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 7:32 p.m. upon motion by Councilmember Brockman and second by Councilmember Maris.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

**CALLED JOINT MEETING OF THE CANTON CITY COUNCIL AND
BOARD OF DIRECTORS OF CANTON ECONOMIC DEVELOPMENT CORPORATION
5:15 P.M., TUESDAY, JUNE 9, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103**

MINUTES

The Canton Economic Development Corporation Board of Directors and the Canton City Council met at the above-named date and time in the City Hall Council Chambers. Present were CEDC President Jack Etheridge, Board Members Ross Maris, Ernie Barbee, Joe Groves, Susan Gummelt, and Ron Sanford, CEDC Director Mercy Rushing, Board Secretary Julie Seymore, and Board Treasurer Debbie Phillips. Also present were Councilmembers Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris, and Clay Nicklas, and City Manager Andy McCuiston. CEDC Board Member Karen Hendricks joined the meeting at 5:45 and Mayor Wilson was absent.

Discussion and action were as follows:

1. CALL TO ORDER – President Jack Etheridge called the meeting to order at 5:17 p.m. and declared a quorum of each entity present.
2. PRESENTATION BY ROBERT JOHNSON, ECONOMIC DEVELOPMENT SPECIALIST, TEXAS MAIN STREET PROGRAM – Robert Johnson presented his ideas about historic preservation and economic development. He advised cities needed viable businesses in their historical districts. He explained the Main Street program was an economic development program, not a beautification program even though they helped improve buildings and encouraged historic character. He said Canton was designated a Main Street city because it had a lot of historic fabric. As such, Canton could receive assistance from him, architects, the design staff, and it was plugged into a network of ninety-one other cities around the state.

Mr. Johnson recommended preservation, comprehensive planning, and using assets wisely. He noted the sprawl starting to happen on Canton's freeway and said the City should be asking what it could do about it and what the entrance says about the City. Canton should capitalize on quality of life issues and manage growth. Cedar Hill was an example of a City that didn't want or plan for growth, and they lost their historic downtown. Citizens are stewards of their heritage and share a stake in how the community evolves. Older buildings are built better and are part of a community's collective memory. Many new buildings are disposable architecture. Many cities have done poorly in capacity planning. Sprawl is the spreading and irregular development, the careless new use of land and resources, and the abandonment of older-built areas.

He described the perils of boomburbs: more parking lots, no shade, impervious surfaces, hotter, logo buildings, and pods. He said, during a period beginning in 1955 (the great building coma), many developers abandoned the core and downtowns were left to decline. Urban decay is the result of years of complacency. Cities must focus on attracting talented people by creating places they find compelling, such as the San Antonio River Walk which happened as the result of a vision by one architect and an influential woman. It had a ripple effect on community development. Another example was Boeing's decision to move from Chicago to Washington State instead of Dallas because of a lack of community in downtown Dallas. San Antonio gets the most conventions in Texas and is in the top ten nationally.

Mr. Johnson also discussed the impact of small businesses on the community. Small businesses employ 50% of the workforce, comprise 40.9% of private sales, and provide 75% of

net new jobs in the US economy. Seventy-five percent of sales occur between 4 pm and 11 pm, but most downtown business owners close at 5 pm, and are not capitalizing on the peak sales times. Mr. Johnson feels that is what causes people to go out of downtown. He said communities need to help small business owners through continuing education and incentives to targeted businesses. Regarding the local impact, he stated 6 cents of \$1 spent with a Big Box retailer stays in the community, versus 20 cents with a chain store and 60 cents with a sole proprietorship. He said many cities have ignored the downtown businesses while providing incentives to businesses coming in on the highway. Leaders need to visualize what the downtown buildings can be. When the core is abandoned, a pattern of sprawl develops which falls apart after the twenty-year building life. Then, another sprawl occurs and each sprawl requires more infrastructure. He stated that local business provides a greater return on the investment.

Mr. Johnson suggested Canton continue to compete for CDBG funds for infrastructure, to seek other funding sources, to concentrate on a city-wide development plan, including recruitment, retention, incentives, and infrastructure, and to work together with the city, CEDC, and chamber. He asked if the city offered tax increment financing and did it have protective ordinances. He also suggested aggressively targeting incentives and recruitment to businesses appropriate to an area.

Karen Hendricks joined the meeting at 5:45 p.m.

Further suggestions included providing directional signage and way-finding elements to pull people into town and to the attractions; taking an inventory of what the city has, conducting a market analysis, and developing a plan to incentivize appropriate businesses. He said he could help the City find funding sources such as a planning capacity grant. He also warned against forgetting about businesses already in Canton and asked what was being done for them, such as continuing education on how to do better business, to market, to display, etc. He said management could create a tool box of funding mechanisms such as tax increment financing districts, which means as property values go up, the new money is used for the district. He added that districts should include some sprawl areas with downtown because property values downtown typically don't increase much. Other funding options are a Capital Improvement Program using 4B taxes, Hotel Occupancy Taxes (HOT), Tax Increment Financing, Sales Tax Sharing agreements (Ch 378 and 380 LGC), local matching grants for façades and signs, etc. Mr. Johnson advised 4B taxes could be used as incentives for types of businesses in downtown to improve the buildings. The Johnson can provide help, can bring people from AG or Comptroller's office to help. HOT can be raised from 7% to 9% to improve qualified venues and for revenue to operate the venue. Tax Abatement is a great recruiting tool. It is usually for five years, but can be set up different ways. If a city offers tax abatements, the owner still pays the base, but no taxes on the new improvements for a specified amount of time. Texas Capital Funds are available for infrastructure improvements. Economic development administration grants are available through the governor's office of economic development and tourism. They give two jumbo grants of \$1.2 million, but most are for \$300,000 to \$700,000.

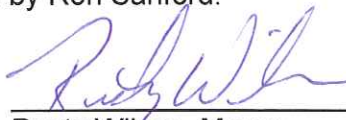
Regarding the relationship between the City Council and CEDC, Mr. Johnson advised the council should know what is happening, but should not micromanage. He said some EDC's get permission from the Council on a per project basis, but it can be cumbersome. Many approve a plan and the EDC has the freedom to do it. Mercy Rushing said she would develop plans and projects for CEDC approval, and then the Council would review and add or take away projects before it is returned to the EDC Board. She said if a project was not originally approved in the budget, it would be brought to the Council for approval. Mr. Johnson recommended having a targeted comprehensive plan approved by the Council. It should include capacity planning, an economic development plan, and a downtown development plan.

Mr. Johnson said the Main Street improvement grant was up to \$150,000 grant with a 10% cash or in-kind match requirement. He said local organizations, citizens or utility companies could donate the match. Ms. Rushing said Canton needed a plan to connect First Monday with downtown and Texas Capital Funds were available for safety and ADA improvements to build more sidewalks along Highways 19 and 64. Mr. Johnson added that it required a job creation component, even just a few jobs. The Four Texas Capital Fund programs included Main Street, Downtown Revitalization, Infrastructure, and Real Estate Development.

Mr. Johnson also advised the city needed ordinances to protect the improvements that were being made. The Certified Local Government program provides technical assistance for developing ordinances appropriate to the town. The Historical Commission offers technical assistance. He discussed entrance signs and people travelling to a location for an authentic experience. He suggested a catchy slogan. Tourism is the second or third largest industry in Texas. Historic Tourism is for people who want to see places and historic artifacts. They stay longer and spend more. He said HOT could be used for way-finding signs. Cities should work on streetscapes and the pedestrian experience by providing benches, seating, kiosks, landscaping, downtown parking, etc. He offered his assistance.

Councilmember Maris asked if grants were available to acquire property for a comprehensive redevelopment of an area in which the buildings were not worth preserving. Property could be acquired to expand and complement the downtown area. Mr. Johnson said a 106 review from their office should always be conducted first to professionally determine if the buildings could be transformed into something usable. He said funding was available to develop a comprehensive plan for zoning via a planning capacity grant out of the Office of Rural and Community Affairs. He said their certified local government coordinator, Derick, could also help with that. He also noted an historic tax credit could be available to a private owner through the Texas Preservation Trust Fund. Assistance is available to help the City realize a plan for filling in new buildings appropriate for the real historic buildings that surround it without trying to pass it off as another historic building. That strengthens the historic district. Ms. Rushing said CEDC would seek Historic Downtown Texas's assistance if they purchased property to extend the downtown area and bridge that gap.

3. ADJOURN – There being no further business to discuss the meeting was adjourned at 6:32 p.m. upon motion by Joe Groves and second by Ron Sanford.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JUNE 16, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris, and Clay Nicklas. City Manager Andy McCuistion, City Secretary Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Fire Chief Charles Bazhaw, Police Chief Mike Echols, City Attorney Richard Davis, and Municipal Court Judge Lilia Durham.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:01 p.m. and declared a quorum present.
2. INVOCATION was given by Clay Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA –

Mayor Wilson granted and moved Mr. Perkins' request to speak prior to Item 15.

Tommy Wyche felt the \$25,000 lost on the Bluegrass Festival and Western Swing could be put to better use in scholarships or to purchase better equipment for the Police Department.

Jim Fuller reported everything was on schedule for the Bluegrass Festival. He added the vintage fire truck had been taken to the fire station so the firemen could care for it. Somehow, the coils had been damaged and had to be replaced. Mr. Fuller felt the engine should be stored in another location after the July 4 parade.

Mr. Farmer inquired what the City's plans were for expanding the city limits. Mayor Wilson requested he speak to Mr. McCuistion or Ms. Seymore about the matter.

Henry Lewis requested the Council amend the billboard ordinance to allow a billboard to be removed and replaced at an identical location.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM MAY 14 AND 19, 2009, CITY COUNCIL MEETINGS – Upon motion by Councilmember Brockman, the minutes of the May 14 and May 19, 2009, meetings were unanimously approved upon second by Councilmember Maris.
8. CONSIDER APPROVAL OF MAY 2009 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of \$4.4 million. Bond payments of almost \$1 million would be made on July 1, 2009. Revenue to date was \$8.3 million. Expenses were approximately

\$8.3 million. Monthly net operating was \$21,500. Councilmember Huddle made a motion to approve the May 2009 financial statements. Councilmember Brockman seconded and all voted in favor.

9. **CONSIDER AWARDDING BID FOR SOUTHSIDE BOOSTER STATION** – Corey Hogue of Gary Burton Engineering said twelve bids were received June 2, 2009. The alternate bid was for an 8" line rather than a 6". Mayor Wilson explained the booster station was required by the State to improve water pressure at Etheridge Farms. Mr. Hogue said the base bids were from \$205,457 to \$328,000. The alternate bids ranged from \$218,000 to \$366,000. Gary Burton clarified the station would be located in Industrial Park IV and the line would run to Etheridge Farms. Mr. McCuiston said the original budget for the project was \$200,000. The difference would probably come from the fund balance or from another account. Mr. Hogue said the 8" line would provide service to more people in the future. Mr. McCuiston added the City had been trying to increase from 6" lines. The 8" line still might not provide adequate fire flow and that would have to be addressed with overhead water. Mr. Burton said Baker's Contracting was one of the best contractors they had worked with in Canton. Mr. Hogue said the bid from Baker's was a firm bid. The line would go from Industrial Park and come out at Gaston's property at Mill Creek where it would be tied into the line there. Councilmember Maris made a motion to accept the alternate bid for the southside booster station to Baker's Contracting in the amount of \$218,035. Councilmember Nicklas seconded and all voted in favor.

10. **CONSIDER APPROVAL OF PROPOSAL FOR INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY FOR THE PROVISION OF FIRE SERVICES** – Chief Bazhaw reported the City was working to find an equitable resolution to the situation with Van Zandt County for fire and emergency protection. A citizens group was working to put together an Emergency Services District. He proposed two alternative contracts to take to County Commissioners for review. One is based on a monthly per-call basis. The other is an annual contract for a fixed amount. Both contracts would begin January 2010. The City was still interested in providing mutual aid at no cost. Both contracts provided for the City to give monthly reports to the County. Both parties had a thirty-day out clause. The contract stipulated the County would have no interest in Canton Fire Department's equipment or employees. Each party was responsible for its own damages. Mr. McCuiston suggested a change in the annual cost in Alternate B from \$170,000 to \$140,000. Chief Bazhaw said he had been asked to meet with the Commissioners on Monday at 10:30 a.m. He hoped they would be proposing a solution to this matter. Mr. McCuiston asked for authorization to negotiate a contract with the County. The City was looking for something more adequate than what it was currently receiving. Councilmember Maris said he would not adjust the annual amount from \$170,000 to \$140,000. He felt a per-run contract would entail a complicated accounting procedure. Chief Bazhaw confirmed if they were called out by county dispatch, the call would be counted. Councilmember Nicklas said since there was a thirty-day withdrawal clause, the City should not count on \$170,000 per year. He felt the per-call basis seemed more equitable because the County had a say in when the City would be called out. Councilmember Maris advised the City could not budget based on runs. Mayor Wilson said both options should be given to Mr. McCuiston to use as a negotiating tool. Councilmember Huddle stated it was better than what the City currently received. Chief Bazhaw said the City of Lucas received \$320 per call and Dallas County paid \$350 per run. The City of Rockwall received \$70,000 per year. An emergency services district would collect taxes once a year. It would be at least one year before it could collect anything. Councilmember Huddle made a motion to approve the proposals for an interlocal agreement with Van Zandt County for the provision of fire services and to give Mr. McCuiston the authority to negotiate to a maximum of \$170,000 annually or \$400 per

run. Councilmember Nicklas seconded and all voted in favor.

11. CONSIDER ADOPTION OF ORDINANCE NO. 2009-18 REGULATING THE PUBLIC USE OF MILL CREEK RESERVOIR – Sergeant Brad Allison reported the ordinance in place was outdated. Since it duplicated a lot of the Texas Water Safety Act, it was enacted by reference. He added to the ordinance any child twelve or younger would be required to wear a life preserver, which is more than what state law required. He also added there could be no wakes near shores, coves, swimming areas, docks or piers. He left in duck hunting in certain outlying sections of the lake. Mr. McCuistion suggested eliminating the section on hunting. Officer Allison said there were quite a few who hunted year round. He has had no complaints regarding duck hunters. Chief Echols felt as a general rule, duck hunters conducted themselves in a safe manner. There have been people in the area who shoot for target practice. Officer Allison cautioned there would be a point when hunting would have to be restricted to the back one or two coves. Shooting in the front cove might reach the Boy Scout camp. Mr. McCuistion recommended monitoring the hunting to see if problems arose. Officer Allison said duck hunting was allowed only in areas marked on the map. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-18 regulating the public use of Mill Creek Reservoir. Councilmember Brockman seconded. All voted in favor.
12. CONSIDER ADOPTION OF ORDINANCE NO. 2009-19 ANNEXING ALL ROADWAYS AND RIGHTS-OF-WAY PARALLEL AND CONTIGUOUS TO THE CANTON CITY LIMITS – Julie Seymore said, as a matter of housekeeping, this ordinance would bring into the city limits all roadways contained in or contiguous to the city limits. The city limits map would be updated to reflect this. She said every road was not specifically named. It covered any road adjoining property already annexed. Councilmember Maris made a motion to adopt Ordinance No. 2009-19 annexing all roadways and rights-of-way parallel and contiguous to the Canton city limits. Upon second by Councilmember Nicklas, all voted in favor.
13. CONSIDER ADOPTION OF ORDINANCE NO. 2009-20 AMENDING THE FISCAL YEAR 2008-2009 BUDGET – Ms. Seymore explained most of the proposed amendments were due to emergency repairs or unforeseen projects. \$9,100 of the General Fund covered the forfeiture purchases which used dedicated cash to buy the Police Department in-car camera systems. The Plaza Museum also required work on the ceiling and roof. The Water Fund had a net change of \$10,685 due to the reduction in the impact and tap fees due to decreased development. There would be a \$30,000 reduction in expenditures for chemicals and lab tests due to decreased water usage. There was a reduction in the amount of utilities paid due to the new utilities contract. The project to dredge the lake was removed so the money could be used to refund the school district and for water lines. The Wastewater Plant showed a change of \$103,309 due to a reduction in the revenue for impact and tap fees because of decreased development. \$15,000 was deducted from sewer dump fee revenue. Utilities were reduced. Plant maintenance increased due to emergency repairs on the influent lift station. The project of redoing the sewer plant road was reduced. \$95,000 was needed for sewer line maintenance to bore under Highway 19 at the Veterans Memorial site. There was a reduction in revenues for the Sanitation Fund due to decreased utilization. The First Monday fund reduced its budget by \$25,500 due to the reduced revenue from impact fees and the new utilities contract. First Monday expected an extra \$15,000 in hotel tax revenue. Special Revenue Fund covered grants. There was money left over from the sidewalk grant. All the money for lowering the sewer line at Hwy. 243 was not spent. There was \$5,300 in grant money from FEMA for air tanks at the Fire Department. The City would receive \$100,000 from the Department of Homeland Security for emergency communications equipment. The Capital Improvement

Fund is the debt fund. The budget was increased \$48,000 to cover the Police Department renovations. The total impact on the operating budget for the changes was \$162,029. There was \$1.4 million out of Certificates of Obligation budgeted to finish Etheridge Road last year. It was actually finished in the current year. The water plant bid was \$32,000 less than anticipated. Councilmember Huddle inquired about the total cost for the Plaza Museum renovations. Mr. McCuistion told him we would provide the information to him. The \$30,000 anticipated for the project was not all spent. Mr. McCuistion said the museum people had requested a new floor in next year's budget. He did not know if that would be included or not. Councilmember Brockman made a motion to adopt Ordinance No. 2009-20 amending the fiscal year 2008-2009 budget. Councilmember Everett seconded and all voted in favor.

14. **CONSIDER COUNCIL GOALS AND OBJECTIVES FOR THE FISCAL YEAR 2009-2010 BUDGET** – Mr. McCuistion said he reviewed the Council's goals and objectives from last year and incorporated those into this year's list. He felt the goals were broad enough and on target. The first goal was to improve communications with the City, maximize the use of the website and newsletter and include the newsletter on the website. Someone else would have to take over the newsletter due to Pat Stephens' resignation. To make efficient use of the sound system and video equipment in the Council Room was part of Goal 1, as well as posting agendas at the City Office Complex in addition to City Hall and the website. Another part of Goal 1 would be to give the status of ongoing projects. Goal 2 was to improve long-range planning. City policies should be set to accomplish items in the plan. The city limits and zoning map needed to be updated. Long-range planning and multi-year budgeting also needed to be incorporated. Goal 3 was to implement sound financial policies. He recommended trying to use bond sales and have elections as necessary. Goal 3 also included development of a multi-year plan for First Monday funds. Water and wastewater funds should stand alone and should not have to be subsidized. Additional debt may be needed. Debt overall should be reduced except where it made sense to use long-term debt. Councilmember Brockman recommended getting away from Certificates of Obligation. Mr. McCuistion said another objection in Goal 3 was to develop a reserve policy for each fund. Goal 4 addressed organizational issues. The City should determine the best policies for customer services, practices for training, planning successions, re-evaluating the organization and re-aligning the workload. The management side could be analyzed to determine what needed to be strengthened. Goal 5 was to promote a positive environment for economic development in the community. Policies needed to be development to encourage retail and commercial businesses and economic development. One good thing about having a 4B economic development tax was the ability to track the sales taxes. Goal 6 was to enhance the quality of life in Canton. He wanted to develop recreational and cultural areas. He was working with a group to develop wildflowers around the city. Mr. McCuistion said he was open to making whatever changes were requested on the goals and objectives. Mayor Wilson requested the members review the goals and come back with recommendations. Mr. McCuistion added the staff would develop goals in conjunction with those adopted by the Council.
15. **CONSIDER ACTION ON FIRST MONDAY VENDOR'S OUTSTANDING BALANCE** – Ron Perkins said Paul Michael's lease has been re-upped to include another 15 years, which gave him a 28-year lease. He asked why the money had not yet been collected from Mr. Michael. Mayor Wilson said the City was attempting to do so. Mr. McCuistion said a second letter had been sent to Mr. Michael with no response. Mr. Davis said the City could file suit if they wished. Mr. McCuistion said the lease could also be terminated. Mr. Davis agreed the lease could be terminated because of a breach or a lawsuit could be filed. Mr. McCuistion said Mr. Michael always paid his rent. The error was a result of the new system which reverted the rate to an old number. He said Paul Michael drew a lot of

people onto the grounds. Mayor Wilson said he would like to give Mr. Michael a time frame to pay the funds and then seek legal action, if necessary. Councilmember Huddle said the City did not want to terminate the lease. Councilmember Maris requested the City give him a time frame to pay the amount. Mr. McCuistion said Mr. Michael had indicated he would pay in two payments. He said he would send a third letter outlining the consequences and give him thirty days to pay. Councilmember Brockman made a motion to authorize Mr. McCuistion to send a letter to Mr. Michael giving him a thirty-day deadline to pay the \$7,000. Councilmember Maris seconded and all voted in favor.

16. CITY MANAGER'S REPORT

- A. FIRST MONDAY PROJECTS – Mr. McCuistion said the lock-n-leave building bids would be opened June 23. He said three addendums had been sent out, one including the specifications, one routing the storm draining pipe underground and one changing the door size. They also put in add and deduct alternatives for a wooden floor and a standing seam metal roof. They added gutters and downspouts not included in the original drawings. Addendum 3 clarified the removal partitions should be 2x4 studs and added a detail for the wood floor system. A fourth addendum would be sent to correct the 120x90. Mr. Burton said 2x8's would be used throughout. They looked into using 1-1/4" plywood but decided the vapor barrier would make that option too expensive. Mayor Wilson requested Mr. Burton inquire about a radiant barrier in the roof to reflect the heat. Councilmember Huddle said he read those were not that effective. Mr. Burton said they would rely on people in the industry to let them know during the bid process. Tommy Wyche asked where they would obtain the money for the building. Mayor Wilson said the CEDC. Mr. McCuistion said about five vendors would be displaced by the building. Debbie Davis asked if a full impact study had been done. Mr. McCuistion said they had been discussing a First Monday economic development impact study which could include the building. The only study done was on the First Monday grounds, not marketwide. Debbie Davis requested a decision on the building be deferred until a full study was made. She said several businesses have tried very hard to contribute to the economy. She felt the decision to add more covered spaces affected First Monday overall. Mr. McCuistion reported they had started work on the creek wall funded with EDC funds. The wall was in and they were at the end of the project. They were also in the middle of realigning the creek. Scott Perkins should have his building open during the next First Monday. Mack Stewart started construction of his building. About forty trees were planted this month. The Thompson and Harmon buildings were completed. The roadwork was finished. The First Monday plan was being implemented. The trees were donated to the City. All the buildings were privately funded. Mayor Wilson said the capital improvements to the grounds were built into the budget on a regular basis.
- B. FINES & WARRANTS – Judge Durham reported they cleared 23 warrants last month. Her office had a woman from Texas Workforce Commission making calls to individuals on the warrant list. This year they collected \$20,000 less than last year.

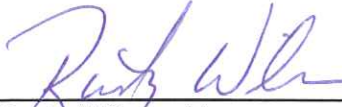
EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

- 17. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072)

RETURN TO OPEN SESSION

18. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION
19. ITEMS FOR FUTURE AGENDAS - Julie Seymore said a public hearing would be needed to consider the bids for the Wynne Road grant project. The notice was for June 25 at 5:30 p.m. She said the lock-n-leave building could also be awarded at that time. Mayor Wilson said they should take a hard look at spending that kind of money. Rona Watson pointed out the Chamber of Commerce had spent close to \$15,000 for renovations and damage repair at the Plaza Museum five years ago. Kay Murphree said she felt the City should proceed with the lock-n-leave building. Mr. McCuistion announced the budget retreat would be July 11 at City Hall beginning at 8:30 a.m. Steve Cash, Old Mill Marketplace, requested the Council take a longer look at the lock-n-leave building and the space currently available and not rented. Councilmember Maris said there was already a waiting list for the building. Mr. McCuistion said people have expressed interest in the building. Mayor Wilson asked for the number of people on the waiting list. Mr. McCuistion said we would not go through the public records request procedure for draft copies of the budget. Mayor Wilson clarified duck hunting would be allowed on the lake but rifles and pistols would not be allowed. Mayor Wilson requested the budget workshop be held July 11 even though Councilmember Nicklas could not attend. Mr. McCuistion announced Tony Cain with Allied Waste would be at the meeting. Mayor Wilson also requested the billboard ordinance be on the July agenda.
20. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 7:44 p.m. upon motion by Councilmember Brockman and second by Councilmember Nicklas.



 Rusty Wilson, Mayor

ATTEST:



 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
5:30 P.M., THURSDAY, JUNE 25, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris, and Clay Nicklas. City Manager Andy McCuistion, City Secretary Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 5:30 p.m. and declared a quorum present.

INDIVIDUAL CONSIDERATION

2. PUBLIC HEARING AND CONSIDER RESOLUTION TO ADOPT PROPOSED AMENDMENT TO 2008 COMMUNITY DEVELOPMENT CONTRACT #728030 WITH THE OFFICE OF RURAL COMMUNITY AFFAIRS – Mayor Wilson opened a Public Hearing at 5:30 p.m. Corey Hogue explained the original intent of the project was to run a water line from the ten-inch water main at FM 859 to Highway 19. At the time, other bids were coming in high and the scope of the project was cut back, stopping at VZCR 3101 instead of Hwy. 19. The actual bids came in lower and funds remain in the grant to continue the project to Highway 19. That is the amendment under consideration. Mr. McCuiston stated that the grant funds were restricted for a low-income community or he would have requested they be transferred to the pressure system for Etheridge Farms. Ray Brumley confirmed the water line creates another loop and equalizes the pressure. Hearing no further comments, the Public Hearing was closed at 5:33 p.m. Councilmember Brockman made the motion to Adopt Resolution No. 2009- approving the proposed amendment to the 2008 Community Development Contract #728030. Councilmember Maris seconded, and all voted in favor.

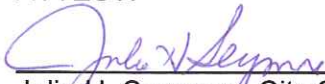
Mayor Wilson stated the only reason he wished to postpone a vote on the Lock and Leave Building was that he felt they would have been better served to have time to analyze the bids.

3. ADJOURN – The meeting was adjourned at 5:34 p.m. upon motion by Councilmember Nicklas and second by Councilmember Maris.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL

4:00 P.M., FRIDAY, JUNE 26, 2009

City Hall Council Chambers

290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuiston, City Secretary Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance as well as City Attorney Richard Davis.

Discussion and action were as follows:

1. CALL TO ORDER - Mayor Wilson called the meeting to order at 4:00 p.m. and declared a quorum present.


INDIVIDUAL CONSIDERATION

2. REVIEW AND CONSIDER AWARDED BID FOR CONSTRUCTION OF PROPOSED LOCK

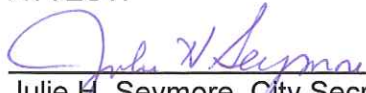
AND LEAVE BUILDING AT FIRST MONDAY TRADE DAYS PARK – Ray Brumley presented the add and deduct items from the bids received. The base bid included an elevated concrete floor with a standard seam metal roof. The first alternative was a wood floor. The second alternative was a wood floor and screw down metal roof. Charles felt a concrete floor would bend and crack. Mr. Brumley said it would be a 2-1/2" concrete floor with wire mesh which they used in elevated slabs. There would be control joints every fifteen feet to reduce the chance of cracking. The life expectancy of the wood floor would be twenty years, if maintained. The concrete floor would have a broomed finish to reduce slipping. There would be a black iron rail around the perimeter of the wrap-around porch. Mr. McCuiston said they would like to have the bid split into separate portions for the foundation, the slab, the flooring and the electrical in order to obtain lower bids. The total budget for the building was \$500,000. Councilmember Huddle said he had second thoughts about the building. Council previously rejected another vendor who wanted to construct a building on the grounds. Councilmember Huddle felt a feasibility study should be conducted. He did not feel the building was in the best location. Councilmember Everett said the project would be set back a year if a feasibility study were done. If the City wanted to proceed, it should start now. Mr. Brumley said it would take two to three weeks to get new bid packages together. He wanted to advertise five weeks to get more bidders. Councilmember Maris stated the City had decided to proceed with the building. This was a great site and the building would fill up immediately. This building would be an asset for the City indefinitely. The better off the construction was, the better off the City would be down the road. Councilmember Maris indicated he was in favor of rebidding the project separately. John Logsdon, Canton Marketplace, said he was against the construction of the lock-n-leave building. He questioned why the City would make it harder for other First Monday areas to stay in business. Mr. Logsdon suggested the City buy trolleys instead to promote all areas of First Monday. Steven Cash, Old Mill Marketplace, said Councilmember Huddle had requested a feasibility study in the February 17, 2009, meeting. He believed there was an overbuilding in spaces in Canton right now and felt it would be better to retrofit the buildings already in existence rather than do new construction. Mr. Cash felt the job could not be properly bid with the lack of plans. He said Old Mill Marketplace had offered its support to every City Manager in the last ten years and had been turned down. They urged a feasibility study be done to see the profitability of a new building. Kay Murphree stated the City had the same right of free enterprise as anyone else. The people who have spoken were in direct competition with the City. She said those individuals had not presented a feasibility study to the City when they built their businesses. She urged the Council not to let competitors decide the marketing strategy or alter their plans. She said they should remember their obligation to the citizens and the City. Delana Mayor-Pipes said the CEDC was to promote all areas of Canton's economy for the retention and expansion of existing and new businesses to Canton with the ultimate goal of increased taxes. She was in favor of the feasibility study because she was not sure the new building could be filled. There were vacancies in both Old Mill Marketplace and Canton Marketplace. The economy was not what it should be. She asked how this one building would benefit the rest of Canton and how would it improve the employment rate. Lynn Reeves indicated a feasibility study should be done. Ron Perkins said he learned First Monday was started and supported by the City of Canton. Council was to take care of the people who paid the taxes and went to school. Mr. Perkins said the people who had spoken had not protested Paul Michael building in this area. He felt it was strange the City wanted to leverage tax dollars to maximize its return. Councilmember Nicklas made a motion to reject the current bids and move forward with advertising for new separate bids. Councilmember Maris seconded. Councilmember Huddle abstained and all others voted in favor of rejecting the current bids. Councilmember Maris said the Council had been discussing the new building for nearly a year. It was not a snap judgment. A lot of planning had been done. All the vendor spaces in the Scott Perkins' building were rented immediately well before the building was completed. No one knew more about First Monday than the people who ran it. Different markets have different demands for their spaces. The City was the last venue to build a pavilion. The City had all the original

First Monday property and it became a world-famous enterprise. Private enterprise saw it and wanted a piece of the pie and then overbuilt. The City needed to develop its vacant real estate. For years the City had no property tax because of First Monday. A large part of the First Monday revenue went to supplement city services. Taxes in Canton were lower due to First Monday. The whole market was good for the City. The City has done nothing to stifle its competition. He felt the Council should look out for its citizens and run the business of First Monday and not buckle to the pressure. The City had not built any revenue-producing buildings in five years. It was time to follow the City's plan developed two years ago. The City had lost a lot of vendors to competition because it was slow to expand into lock-n-leave facilities which was what vendors wanted now. More competition would start businesses and they would not ask the City for permission first. Councilmember Huddle said a local businessman indicated he would build a 50,000 s.f. building if the City built the lock-n-leave building. Mr. Logsdon said he had a lock-n-leave building at \$4.50 per square foot and had vacancies. Mr. McCuiston said the Council had asked for a business plan on the project, not a feasibility study. The business plan had been presented.

3. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-21 AMENDING THE FISCAL YEAR 2008-2009 BUDGET FOR LOCK AND LEAVE BUILDING AND ATHENS STREET SEWER LINE PROJECTS - A public hearing was opened at 4:42 p.m. regarding the adoption of Ordinance No. 2009-21 amending the fiscal year 2008-2009 budget for the lock and leave building and Athens Street sewer line projects. Mr. McCuiston explained the sewer line from Beard St. to Athens St. and down Church St. needed to be replaced. He recommended deferring the overlay on those streets until next year's budget. They would then take the \$60,000 for labor on the West Outfall and the \$50,000 savings on the backwash project at the water plant and use the \$110,000 this year to replace those sewer lines. The public hearing was closed at 4:45 p.m. Councilmember Huddle made a motion to use the \$60,000 savings from the asphalt budget and the \$50,000 savings from the water fund to replace the sewer line and put money into next year's budget to resurface Athens, Church and Beard streets. Upon a second by Councilmember Nicklas, all voted in favor.
4. CONSIDER APPROVAL OF GARY BURTON ENGINEERING, INC. TASK ORDER FOR ATHENS STREET ENGINEERING PROJECT - Mr. McCuiston said the Athens Street sewer line project had to be engineered for a not-to-exceed cost of \$10,000. Councilmember Maris made a motion to approve the Gary Burton Engineering, Inc. Task Order for the Athens Street Engineering project. Councilmember Everett seconded and all voted in favor.
5. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 4:46 p.m. upon motion by Councilmember Nicklas and second by Councilmember Maris.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
8:30 A.M., SATURDAY, JULY 11, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, and Ross Maris. Councilmember Clay Nicklas was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Fire Chief Charles Bazhaw, Police Chief Mike Echols, and Municipal Court Judge Lilia Durham.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 8:33 a.m. and declared a quorum present.
2. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2009-2010 PROPOSED BUDGET – Andy McCuiston explained this was the first effort at a balanced budget. Information regarding taxes would be received July 31 and those numbers would be included at that time. Mr. McCuiston said he hoped the city's tax rate could be left at .42 cents. He did not want to increase the water rate, but felt the sewer rate was still too low. The WWTP fund needed to stand on its own. He felt it was best to increase the rate in small increments over a period of time than to have to make one big increase. He also wanted to eliminate the impact fees because it made Canton less competitive with other cities. Mr. McCuiston recommended an increase in permit and tap fees. He also suggested going to two-cycle billing which would stagger the readings and billings. It would even out the workloads and could reduce the number of meter readers. He suggested no cost of living or merit increases in the budget for the staff this year. There would be an increase for the municipal court clerk for taking on additional duties. Mr. McCuiston felt Mr. Cluck should be compensated for his increased responsibilities. The fire department staff hours were increased to help deal with the gaps in the 24/7 coverage. He also recommended giving increases for employees who obtained licenses. Mr. McCuiston recommended Council borrow \$1.1 million for the First Monday lock and leave building, streets, and the bulk chemical storage facility at the water plant. He felt the bulk chemical storage facility would result in a 40% savings on chemicals. It might be necessary to purchase a new fire truck this year due to the condition of Engine 1. Mr. McCuiston said the goals and objectives were the overriding guidelines in the budget development. One of the guidelines was to avoid borrowing money whenever possible; however he felt it was necessary to borrow funds at this time.

Major accomplishments in administration were the completion of the new offices, the partial renovation of City Hall, the development of a new personnel policy manual, the improvements on the sound and visual aids on the council room, the website would be up by the next Council meeting, recovery of delinquent UB accounts and the start of the hotel/motel audit which brought in \$10,000 this year. They also started an internal health inspection project whereby the Code Enforcement Office performed preliminary reviews of restaurants. The Economic Development Plan was completed and a Tourism Advisory Board was formed. CEDC launched a new website. Mr. McCuiston said the courtroom had new offices and security and the Municipal Court contracted with a collection agency to collect a backlog on warrants. The jail cells at the Police Department were finished and they acquired a new canine vehicle which was confiscated from a drug dealer. The control for the Animal Shelter was shifted to the Police Department and was going well. There was a concentrated effort on the downtown parking situation and more tickets were being issued. The Fire Department built training and EOC rooms and had applied for a \$100,000 DHS grant for emergency communications equipment. The Streets Department completed Etheridge Road, and Etheridge Lane and Malinda Lane were under construction. The Parks Department replaced the museum ceiling and roof and replaced air conditioning in the building. Two air

conditioners were replaced at the library and they planned to replace two more next budget. At the ballpark, Oncor cleared the fence row, all the lights were checked and safety chains were placed on them all. No. 2 field was rebuilt and a number of infields were reworked. Lonny Cluck mentioned the City removed several damaged trees and two or three fruitless mulberries. The City planned on planting new trees at the ballpark. The valve/trough replacement project at the water plant would be completed by year end, and the settlement ponds/backwash solution would be done by the end of next year. Mr. McCuistion planned to get a development plan for surface water and wells in place. He has been working with Region D to determine the best site for the well. The City planned to ask CEDC to help fund the \$1 million well but it would require an election.

The Water Distribution Department finished a 6" line on Athens and College and tied the line in by WillsPoint. The sewer line on Athens had to be improved prior to asphaltting. The 10" line on FM 859 was completed and Wynne Road was being done. They planned to extend the line to Hwy. 19. The road at the Veterans Memorial was bored and a water line and fire hydrant were installed. The sewer line parallel to Hwy. 19 was also replaced. The influx system at the Wastewater Treatment Plant needed emergency repair at a cost of \$70,000. Mr. McCuistion said he was negotiating with Mr. Oxford about purchasing the property for additional land for the wastewater plant. A new sewer line was put in on Dog Alley parallel to the old line. Once the old line is cut off, the inflow and infiltration problems in that area should be resolved. At First Monday, Row 1 was widened and resurfaced, the rerouting of the creek was almost complete, two bridges were replaced, and drainage improvements were made. In addition, Mack Stewart's building was almost finished, a new truck was purchased, along with a skid-steer loader and a flex-wing mower.

Mr. McCuistion said the 2007-2008 audit was in progress so adjustments would have to be made in the 2008-2009 budget. The 2008-09 budget indicated \$2 million more expenditures than revenue. \$1 million of that was for the Etheridge Road project for which the City planned to decrease the fund balance. The country was not coming out of the economic crisis as quickly as projected. Sales tax revenue was declining. Mr. McCuistion said the projected year-end figure was \$2.2 million. He planned to cut \$66,000 in expenditures to offset that decrease. The new energy contract should have an impact of \$300,000-400,000 over a three to four year period in decreased energy costs. Julie Seymore explained the public works assistant position was omitted and staffing would be reduced from 76 to 73-1/2. The CEDC assistant's position was changing to a full-time position with the City paying 30% of the \$30,000 salary. The budget would include a computer server for the Police Department, two in-car cameras and a new canine. Chief Echols said the money for the canine would come from the forfeiture account. Mr. McCuistion said a part-time position was deleted from the Animal Shelter budget. The increase for the juvenile case manager at the Municipal Court was left in the budget as well as a bailiff. Mr. McCuistion said he presented to the County Commissioners a proposed fire service contract for \$20,000 the first year and increasing \$20,000 every year to \$100,000 in five years. Councilmember Maris expressed concern that the City would not have the equipment or manpower to cover the County and that the City would be left unprotected for periods of time. Mr. McCuistion said the City would not run the fire engines out into the county but would use brush trucks. He said a proposed bicycle medic force was deleted from the budget. The part-time help to cover the gap in the 24/7 coverage was left in. The pumper lease might have to be included in the calculations. The Code Red and early warning siren were left in. For the Streets Department, the patch truck was deleted and the repair of Church and Athens Streets was pushed into the next budget. The work on Lisa Circle was left in. The seasonal workers requested by the Parks Department were removed. The tractor and Harley Rake were left in the budget. Painting the water tower was removed as well as resurfacing the parking lot under the tower. The money to replace the fence at the Old City Park in the outfield was removed as was painting the

Blackwell House. The two air conditioners for the library were included. \$20,000 was left in for general maintenance to the CYRA ballpark. The money for a new roof and painting of the Senior Citizens building was pulled. Lonny Cluck mentioned the parking lot at the CYRA ball field was the only area that needed attention. Councilmember Huddle suggested charging to park at the ball field to fund the improvements to the parking lot. The \$25,000 for dredging at the water plant was removed but the bulk chemical storage building was left. The amount for tower and well maintenance was reduced. The chlorine system and items related to the blue garden were left in. The backhoe was left in the water distribution budget. The professional fees, fire hydrant maintenance and meter box budgets were reduced. The seasonal laborer at the wastewater plant was omitted and they would defer redoing the sewer plant road. The maintenance amount was left at \$55,000 due to the problems with the aerators. The \$55,000 would be used to increase the line going up to the plant to relieve the load on the pumps and to change one rotor out. The west outfall project was removed from the wastewater collection fund. The sewer line in Wynne Community was left in. Money was left in to correct the problem on Cherry Creek by Lisa Circle at the manhole which continued to overflow. Depending on the negotiations with the sanitation companies, some money might be generated at the Transfer Station.

Mayor Wilson called a recess at 9:58 a.m. The meeting resumed at 10:25 a.m.

Mr. McCuiston said he did not have a suggestion on the sewer rate increase but it was still running at a deficit. An increase at this time would keep the fund from getting further behind. One of the goals adopted was to have each fund stand on its own and use the First Monday profits for capital improvements.

Mayor Wilson exited the meeting at 10:27 a.m.

Mr. McCuiston recommended the City borrow \$1.1 million to fund some capital projects. The City was doing a good job of paying down its debt. The City had no bonds, all the debt was in CO's or tax notes. The property tax revenue was not yet defined in the debt service. The EMS building would be paid off and the rent revenue would then go into the General Fund. Transfers came in from any fund that had debt. Expenditures were the CO payments and tax note payments. Trade Center IV and the First Monday restroom debt would also be paid off next year. Total debt at beginning of year \$5,875,000 for CO's only. The CO's were being paid off at \$1 million per year, most of which was interest. If CEDC funds were a part of that, it had to go to an election. Mercy Rushing said any project not going for a specific business had to go to a vote. Councilmember Brockman stated he was against CO's overall. Mr. McCuiston said the City's goals stated it would consider the use of bonds rather than CO's for future long-term debt. Mr. McCuiston believed an election on the water well would pass if the voters were educated about the lake and reduced water allotment from the state. Next year, he said all of the funds as a whole generated more revenue than what was spent. Each fund is balanced because of transfers from First Monday. The goal was to use First Monday funds for capital projects, not to subsidize the other funds. First Monday was not as much as expected but the expenditures were being reduced. Next year would have a higher beginning balance than expected. The Water Fund had a beginning balance of negative \$107,099 in cash but would have an ending balance of \$17,385. Total water receipts budgeted was \$1,276,000. Expenditures were budgeted at \$1,245,000. A transfer from First Monday into this fund was not required. Mr. McCuiston explained they were trying to get Canton into the Region D's plan for 2010 so the process for building a new lake could be started. The sewer fund had \$20,000 less revenue than expected. Councilmember Brockman said he hated to put any more on the taxpayers with the economy as it was. He felt another 10% could be cut from the overall budget. He had never seen a sewer fund that did not have to be subsidized. Mr. McCuiston said he recommended eliminating the impact fees and increasing the permit

fees. Mr. McCuiston said the impact fees for Brookshires would be adjusted. Councilmember Brockman said in his experience impact fees did not kill growth. What killed growth was whoever owned the land. If the businesses could not come in and pay their fair share with the impact fees, the City did not want them. It was not fair to the people who paid fees over the years.

Josh Bray and Barney Bray from Sanitation Solutions of Paris, Texas, presented a proposal for sanitation services to the City. They served thirteen municipalities, including Grand Saline, Van and Chandler. They wanted to use their smaller trucks to pick up the City's trash and use the transfer station as a drop-off for the garbage until it could be taken to their landfill. They would pick up one bulk item at the curb per week and would pick up brush weekly. The commercial rates proposed would be 5% less than what the City currently paid. They offered to sweep the streets four times per year at no cost to the City. They also offered a demolition service with the City only paying disposal costs. They also offered to have a \$500 scholarship each year to one girl and one boy in the community. They would pay \$2000 per month for the use of the transfer station. The trucks used would be two to three years old. They could also be bonded. Any rate increases would be based on the CPI but would cap out at 3%. Barney Bray said he would not do anything illegal or environmentally wrong. All the sewer sludge boxes the City had picked up now, Sanitation Solutions would pick up for free. If the City currently paid for that service, there would be a 5% reduction. They would also be open on First Monday to haul boxes. Mr. McCuiston verified the City would retain ownership and control of the Transfer Station. Barney Bray said they would put in another compactor next to the one there and would probably bring in 200-300 yards per week. They would spend up to \$100,000 to get the road to the Transfer Station up to par. Brush would have to be in four-foot bundles and under 50 lbs. They could also offer a recycling box. They also picked up tires for a fee. Josh Bray said there would be no problem adding a non-transfer clause to the contract.

Tony Cain of Allied Waste said they were the second largest solid waste company in North America currently. They operated in 42 states and operated three recycling facilities in the Dallas area. He said his company was sensitive to the needs of the community. Their contract with the City started October 1, 1989. The supervisor and division manager lived in Grand Saline and were in Canton every day. Mr. Cain offered to add bulk pickup and brush pickup to the residential contract. He said they had never charged a fuel surcharge to Canton and asked that the rate increase structure be connected to fuel in some way. He said Allied's service levels in Canton were second to none. The 1989 rate for a household was \$6.20 and the 2009 rate was \$9.50 per home. The costs were kept in line and they have provided the service for the best benefit of Canton. Their rates were very competitive. They were not the cheapest, but were the best value for the community. Mr. Cain was willing to make anything work with the City. They were not bound by the contract, it was just a guide. He offered to work with Mr. Cluck on a roll-off truck for three to four days at no cost to see how it worked. Allied Waste was committed to providing outstanding service in a safe, efficient and cost-effective manner. Every driver has a criminal background check and is drug tested.

Councilmember Brockman called a lunch recess at 11:39 a.m. The meeting resumed at 12:07 p.m.

Mr. McCuiston reported the beginning balance for First Monday was \$1,793,002. The audit actually showed \$1,809,000. The current revenue to date was budgeted at \$3,607,000 and came in at \$3,578,000. More money was transferred out than anticipated, mostly due to equipment replacement. The hotel/motel tax and H&T lot revenue were removed from the budget and the revenue for next year would be about \$3,100,000. The hotel/motel tax rate was currently at the maximum we could receive. The H&T lot revenue was eliminated and

the other disbursements expenditures were reduced from \$740,000 to \$60,000, which was for the Deen property rental. There would be a transfer to the Tourism Fund for advertising. \$10,000 was left in the budget to repair an additional bridge. Money to improve the Shaw property was removed but the money to improve the parking area and build a parking area by the Civic Center was left in. Mr. McCuistion said he was in the process of quantifying the costs related to losing the Arbors. The \$500,000 for the lock-n-leave building remained in the budget. It would be rebid in separate packages to obtain a lower cost. Councilmember Brockman indicated he would like some storage buildings or apartments off FM 859. Mr. McCuistion confirmed that was in the Master Plan. Councilmember Maris expressed an interest in having more revenue-producing projects for First Monday now that the infrastructure was in good condition.

Jim Fuller reported the last Bluegrass Festival was probably the best ever. There was very good attendance. Mr. Fuller presented to Council a petition from 48 people requesting the Bluegrass Festival be continued. Mr. Fuller said this festival went off with only one complaint about the electricity in the RV park. He said he was asked by Raymond Pruitt, Johnny Mallory and Ron Sanford to promote the festival years ago. He agreed to do his best to promote Canton at every event he attended and to make it a premiere festival, which he has done. They agreed he would be paid car and travel expenses but he would buy his own food and other items. The festival was 33 years old this year. Over \$12,700 was spent in Canton the weekend of the festival. Mr. Fuller suggested funding the festival from the hotel/motel tax rather than the General Fund. He said he had firm commitments to four bands for 2010. Mr. McCuistion had told him some people called these events "Fuller parties." He felt no other person or group of persons in the town brought more people to Canton than the Free State Bluegrass Festival. He said he personally paid for the vehicle he drove which advertised the Bluegrass and First Monday. It was a rolling billboard, which he drove 12,000 miles every year and the City paid for the advertising. He said he passed out over two boxes of First Monday calendars last year at various places and invited a lot of people to Canton. He felt the festival should continue. He paid for outgoing calls to the 800 number that rang at his house, the City paid for incoming calls. He said Fuller's Towing never charged the City when the police or fire departments needed assistance. They also furnish the absorbent to clean the oil and fluid left on the road. He said he did not have to lie, cheat or take advantage of anybody. He said he would follow up on suggestions for getting sponsors for the event. He went to other bluegrass festivals to talk to like-minded people and could speak to 1,500 people at one time to invite them. He felt the Western Swing would become a bigger event than the Bluegrass in time. Mr. Fuller said he promised to do everything in his power to make the Bluegrass Festival fly.

Shannon Stapley, Chairman of the Board for the Canton Chamber of Commerce introduced herself and reminded Council of the valuable service performed by the Chamber. Rona Watson presented the relocation book distributed by the Chamber and the book on First Monday. She said 20,000 books on First Monday were sent out each year. She said more than 65% of the Chamber's business related to tourism. She said the Chamber website allowed individuals to inquire about lot and RV reservations and went out to all the parties who offered same. The Chamber planned to attend travel shows in Houston, Austin, San Antonio and Dallas in the upcoming year. It also wanted to obtain a toll free number for those to call regarding First Monday for a minimum cost of \$3600 per year. Chamber revenue from dues was \$127,800 and from tourism \$40,000. There was a net loss of \$34,000 on the tourism which the Chamber subsidized from its operation fund. She said the Chamber could not take a reduction in the hotel/motel tax without causing hardship on businesses. She requested the amount of the contribution to the Chamber be 20-30% of the total hotel/motel income.

Regarding the Marketing & Tourism budget, Mercy Rushing announced there would be two additional hotel/motel tax audits in the new budget year. \$10,000 was received from the last audit. She added the \$8500 under the miscellaneous line item was money received from Dr. Pepper which we pledged for advertising. She said she had asked for \$80,000 from First Monday to use for advertisement of the city's portion of First Monday. Total revenues equal \$308,500. Expenditures included special events, fireworks, promotion and marketing the community, First Monday advertising and community development. She planned on asking Council for \$10,000 to plant wildflowers along all rights-of-way coming into the city. \$9,000 was budgeted for First Monday marketing travel. The plan was to focus advertising in the Dallas-Fort Worth area with the large influx of people moving there. She would visit in August to determine where new billboards should be located. Ms. Rushing was trying to get mentioned on all the free advertising she could find such as Texas Monthly and Texas Highways. She would speak with the marketing committee about a video for trade shows. She has gotten advertisements on three digital billboards in Tyler.

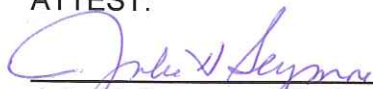
Mr. McCuiston said the estimated values are up for property taxes. There was also some new development in the community that would add to the tax base.

3. ADJOURN - There being no further business to discuss, Councilmember Brockman adjourned the meeting at 1:42 p.m. upon motion by Councilmember Maris and second by Councilmember Everett.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL

6:00 P.M., TUESDAY, JULY 21, 2009

City Hall Council Chambers

290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, and Ross Maris. Councilmember Clay Nicklas was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Fire Chief Charles Bazhaw, Police Chief Mike Echols, Municipal Court Judge Lilia Durham, City Attorney Richard Davis and Building Inspector Coy Prather.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:02 p.m. and declared a quorum present.
2. INVOCATION was given by Ed Sanders.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS – None

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Virgil Moore, General Manager for Canton Marketplace read a letter from John Logsdon regarding the City's proposal to build a lock and leave building. They said during the July First Monday they witnessed 16 empty spaces in the pavilions, 16 empty spaces in the Arbors and 129 spaces empty in the Trade Centers. He said shoppers hated visiting buildings with vacancies. City management had done a poor job advising Council on the rental rates. Canton Marketplace had booths at 33 cents per square foot and still had vacancies. Plenty of vendors would promise to rent during the construction phase but would drop off as completion neared. The City should also consider how many of the new vendors would come from existing buildings and lots and leave those spaces vacant. The letter questioned whether this was the best time for the City to take on debt. The cost of construction has already exceeded the projection by management and quality cuts were being proposed which would lead to a shorter life span. Mr. Moore questioned how older citizens would go up and down the ramps into the building. He said if the building were built, it would not impact Canton Marketplace in any significant manner. Canton Marketplace was not a competitor of the City. If the building were built, it would be based on poor judgment. He asked the City run its business in a prudent manner. He said Canton Marketplace gave \$71,000 to the City in sales tax revenue and contributed \$25,000 in property tax and \$72,500 for the trolley service.

Debbie Reaves of Old Mill Marketplace said her business paid taxes and provided jobs. She requested Council wait on the lock and leave building. There was a tremendous vacancy rate everywhere this month and it was not the time for this project. Declining First Monday revenues indicate the economy does not warrant a project of this type. It was a matter of keeping supply and demand in balance. She requested financial data the City staff provided to Council as requested by the Mayor at the February 17, 2009 Council meeting which served as the basis for the Council's authorization to move forward. Ms. Reaves cautioned it was the Council's responsibility to do due diligence on projects of this size. She felt it was unacceptable for her business or Canton Marketplace to be characterized as outsiders in the community. They were a vital part of the City and First Monday and contributed to the economic well being of the community. Her companies have paid over \$800,000 to Canton over the last fifteen years. She realized the budget workshops were dealing with an overall decline in City revenue. First Monday revenues have declined in the last couple years. People were going to lose their jobs due to City budget cuts. The primary purpose of the economic development corporation was to create jobs and welfare in the community. She asked that they focus their money on the creation of jobs, especially for Canton citizens. She requested the lock and leave building project be tabled.

Ron Perkins made an apology for Rubik's Cube discussions he created in meetings. The City was owed \$7000 to its citizens for over three years. A letter was to be sent giving a date certain the amount was owed. It was declared a legal binding debt. He said he was obviously unable to read and understand what he had preached and was unable to correlate what he was reading when he discussed such things.

Ed Sanders felt the Bluegrass and other festivals seemed to be a drain on the City a little bit. He said the acts should not be treated to lodging or food. The City needed to curtail the high dollar expense of the City until certain other needs were met. The City should concentrate on what the police and fire departments needed. He felt the City should proceed with the lock and leave building because business would be picking up from September to December. The building would be a great asset to the City.

INDIVIDUAL CONSIDERATION

7. **CONSIDER APPROVAL OF MINUTES FROM JUNE 9, 16, 25, AND 26, 2009, CITY COUNCIL MEETINGS** – The minutes from the June 9, 16, 25, and 26, 2009 City Council meetings were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Everett.
8. **CONSIDER APPROVAL OF JUNE 2009 FINANCIAL STATEMENTS** - Julie Seymore reported the total cash balance at the end of June 2009 was \$4.2 million. The debt service balance was \$7.295 million. A payment of \$952,000 was made on July 1. Revenue to date was \$9.3 million and expenditures were \$9.5 million. Sixty-five percent of the budget had been spent. The June 2009 financial statements were unanimously approved upon motion by Councilmember Maris and second by Councilmember Brockman.
9. **CONSIDER ADOPTION OF AMENDMENT TO ORDINANCE NO. 97-03 REGULATING THE CONSTRUCTION AND USE OF SIGNS WITHIN THE CITY LIMITS AND EXTRATERRITORIAL JURISDICTION OF CANTON** – Coy Prather explained Henry Lewis had requested an amendment to the city ordinance concerning legal non-conforming billboards. The Local Government Code gave cities a lot of leeway on signs as far as regulation of size, location, removal, etc. Canton's sign ordinance stated signs in existence before its passage were to be considered legal non-conforming. They could exist as they were at the time the ordinance was passed, but could not be altered or expanded in any way. The signs would go away when they were worn out. Mr. Lewis was denied a variance by the Board of Adjustment because they could not grant variances on anything which was legal non-conforming. Mr. Lewis requested a change to the ordinance so his sign could be altered. The signs could be called "pre-existing" rather than "legal non-conforming" and variances could be granted. Mr. Prather said most cities used legal non-conforming when they wanted the signs to eventually go away. Mayor Wilson felt the City should not have an ordinance that would tie its hands in any way. Councilmember Huddle said if a new sign was put up in Tyler, two had to come down. Mr. Prather said there were thirteen billboards in the city limits and ETJ currently. The current ordinance was passed in 1997. Julie Seymore added the section limiting billboards was added in 2001. Councilmember Brockman suggested going to monument signs no more than five feet tall, landscaped and approval had to be granted by a board or Council. Mr. Prather said the Board of Adjustment requested the sign ordinance been reviewed because of the frequency of the variance requests. Mayor Wilson agreed with Councilmember Brockman that new signs should be the way he suggested and old ones could be grandfathered. He said the Board of Adjustment should have the ability to make possible adjustments. Councilmember Maris said if the purpose of the original ordinance was to let the signs run their life span and go away, if someone put up a new steel sign it would last for 100 years. Councilmember Brockman made a motion to table this matter until Mr. Prather could do more research on the subject. Mayor Wilson said he would like to change the wording of the current ordinance to allow the Board of Adjustment some authority to grant variances. Councilmember Maris said that would put a lot of pressure on the Board of Adjustment and he felt it was a mistake. Councilmember Brockman made

a motion to change the language in the current ordinance from legal non-conforming to pre-existing. Councilmember Huddle seconded. Councilmembers Brockman and Huddle voted for and Councilmembers Everett and Maris voted against. Mayor Wilson voted aye to break the tie. He added he wanted to take a hard look at rewriting the sign ordinance for future growth.

10. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE AMENDING CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE AT 104 EUBANK IN CANTON, TEXAS – Coy Prather said the Planning & Zoning Commission met to consider the request to amend the Future Land Use Plan at this address and recommended denying the request. They felt changing the one address might be considered spot zoning. Mayor Wilson opened a public hearing on the adoption of an ordinance amending the City of Canton's 2004 Comprehensive Plan regarding the Future Land Use Plan at 104 Eubank, Canton, Texas. Mike Hackney thanked the Planning & Zoning Commission for voting unanimously against the change. It has been his home all his life. There were a lot of improvements and new businesses going up in that area. The lot was right beside their house and they would like to keep it residential for the time being. Juanita Hackney said they have been faced with living across the street from Dr. Dailey's medical office which had been presented as having only four or five cars at any one time. Usually, there were twenty cars there. She felt it infringed on their home and requested Council consider not amending the Future Land Use Plan. Mayor Wilson closed the public hearing at 6:58 p.m. Councilmember Brockman made a motion not to amend the Future Land Use Plan. Councilmember Everett seconded and all voted in favor.
11. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE EFFECTING A ZONING CHANGE FROM SINGLE FAMILY DETACHED RESIDENTIAL (R-1) TO RESTRICTED PROFESSIONAL AND OFFICE DISTRICT (RPO) AT 104 EUBANK, CANTON, TEXAS, CURRENTLY OWNED BY J.W. DAILEY, M.D. – A public hearing was opened at 6:59 p.m by Mayor Wilson on the adoption of an ordinance effecting a zoning change from single family detached Residential (R-1) to Restricted Professional and Office District (RPO) at 104 Eubank, Canton, Texas. Juanita Hackney said this was a very important issue to her family and she requested they be allowed to live in peace for a while longer and that the request be denied. The public hearing was closed at 7:00 p.m. Councilmember Everett made a motion to deny the request for a zoning change from Single Family Detached Residential to Restricted Professional and Office District at 104 Eubank, Canton, Texas. Councilmember Huddled seconded, and all voted in favor of denying the request.
12. CONSIDER ADOPTION OF ORDINANCE NO. 2009-22 PROVIDING FOR POLICIES AND PROCEDURES REGARDING OPERATION OF FIRST MONDAY TRADE DAYS – Linda Hatfield presented the changes to the policies and procedures brochure. Concessions would be allowed to enter the grounds on Tuesdays to give them an extra selling day and help alleviate traffic problems. The RV and lot reservations would begin at 8:00 a.m. rather than 8:30 a.m. to lessen confusion. The main gate hours would be changed to 8:00 a.m. – 5:00 p.m. Tent and table vendors would be allowed to set up prior to the unreserved vendors with a note. The \$5 per night charge in the holding area would be just for hook-ups. The unreserved vendors had a tendency to spread out and the policies added a provision that they could be asked to leave if they did not comply. She added the vendors were usually given an opportunity to comply with the rules prior to being asked to leave. The policies now stated the price of a parking ticket was \$75 plus court costs to put people on notice what tickets cost. They also added that vendors in buildings would not be given extra passes but must rent parking spaces from the City in

order to park on the grounds. Mr. McCuistion said two vendor passes would be given to every building owner. The building's vendors would have to rent their own parking or use the passes of the building owner to bring their merchandise on the grounds. Councilmember Maris made a motion to adopt Ordinance 2009-22 providing for policies and procedures regarding the operation of First Monday Trade Days. Councilmember Huddle seconded and all voted in favor.

13. CONSIDER ADOPTION OF ORDINANCE NO. 2009-23 CALLING A SPECIAL ELECTION FOR NOVEMBER 3, 2009 TO CONSIDER USE OF TYPE B SALES AND USE TAX REVENUES FOR CERTAIN WATER SUPPLY FACILITIES – Julie Seymore explained they were putting together a proposition for the November election for the use of Type B sales and use tax revenues for certain water supply facilities. The election date was November 3 and would be held in conjunction with the County precincts at four polling places. Early voting would be held at City Hall for two weeks during regular business hours with the exception of two days from 7:00 a.m. to 7:00 p.m. Mayor Wilson said the proposition would allow CEDC funds to be utilized to support the water tower and/or water well projects. Mr. McCuistion said they had five proposed sites for the water well which would cost \$6500 to test each. He wanted to see if the proposition passed before the sites were tested. Councilmember Brockman made a motion to adopt Ordinance No. 2009-23 calling a special election for November 3, 2009 to consider the use of Type B sales and use tax revenues for certain water supply facilities. Councilmember Maris seconded and all voted in favor.
14. CONSIDER AWARDED BID FOR WATER TREATMENT PLANT IMPROVEMENTS – BACKWASH SLUDGE REROUTE PROJECT – Gary Burton said they had received good bids for the project. The budget was \$165,000 which was slightly above the highest bid and less than half of the lowest. The work was in response to the non-compliance issue at the water plant. It would also provide enhanced maintenance by the operators. Councilmember Maris made a motion to award the bid for the backwash sludge reroute project for the water treatment plant improvements to McKinney and McMillan for \$82,705.57. Councilmember Brockman seconded and all voted in favor.
15. CONSIDER RESOLUTION NO. 2009-11 SUPPORTING NEW LAKE FOR SURFACE WATER SOURCE – Gary Burton said his firm put together a resolution for Council to present to Region D Water Planning Group expressing its support of the long-term water study recommendations. The resolution does not specify a site because they were still evaluating two options for the location of the reservoirs. The resolution simply gave Region D Regional Planning Group a reason to include Canton in its regional water plan. Mayor Wilson said the Council needed to be sure Region D knew the whole community was behind the project. He said funding for the project would be a combination of several sources, possibly the CEDC. He said if the Region D Water Board approved the project, it would be six or seven years before it was begun. The initial cost was \$50 million. If the City did not start now, they would not be able to secure water rights. The resolution was just showing the Council's support of the project. Mayor Wilson said expanding the existing lake would not yield enough water to warrant the cost. Mr. Burton said the volume of the current lake was optimally sized for the drainage area in which it was located. During drought years, you would not increase the yield. Lonny Cluck said if the City did not secure the water rights, a lake could not be built in the future. The existing lake was conceived in 1951 and did not start collecting water until 1974 or 1975. If Region D did not approve the lake, one could never be built. Mr. McCuistion said the approach the City was taking with Region D was for the alternative option of having surface water. Mr. Burton said the location would be addressed at a later date. Councilmember Maris said there was a drought in 2004-2005 and the lake was down to

four feet above the water intake at that time. In a three-year drought, the City could be out of water. Councilmember Huddle made a motion to adopt Resolution 2009-11 supporting the new lake for a surface water source. Councilmember Everett seconded, and all voted in favor.

16. CONSIDER APPOINTMENTS TO BOARD OF ADJUSTMENT – Julie Seymore explained there was an opening on the Board of Adjustments. Bud Surles agreed to fill that vacancy and Dr. Tina Ingram agreed to serve as alternate. They were for two-year terms which began May 2009. Councilmember Brockman made a motion to appoint Bud Surles as a member of the Board of Adjustment and Dr. Tina Ingram as alternate. Councilmember Maris seconded, and all voted in favor.
17. REVIEW CITY WEBSITE – This matter was discussed out of order at 6:37 p.m. Justin Rector, project manager for EDSuite, presented the new city website. His presentation ended at 6:53 p.m. Debra Johnson pointed out the address for the new website was www.cantontx.gov.
18. CITY MANAGER'S REPORT
 - A. HILLIARD EASEMENT – Mr. McCuiston said in the 1950's a line was run to Old Kaufman Lake through some Hilliard property. In exchange for that, free water was provided to the property owners. The property has changed hands and the line and easement abandoned. Cary Hilliard was paid \$6000 to have the property brought back to its original condition.
 - B. PLAZA RENOVATIONS – Mr. McCuiston said the cost of the renovations had been provided to Council.
 - C. BLUEGRASS FESTIVAL – Mercy Rushing said the Bluegrass Festival made \$900.61. The total amount of receipts for purchases in the community during the event was \$12,879.25. With the multiplier, the amount turned over in the community was \$64,000. A large number of volunteer hours contributed to the success of the festival. Mr. McCuiston said the initial report showed a loss of \$3900 but it had not included a \$5000 contribution from CEDC. Jim Fuller said he understood the funds for the Bluegrass Festival were being cut from the City's budget. He reiterated \$12,000 worth of receipts was taken in during the festival. Over 166 rooms were rented at one of the hotels. A petition had been circulated which had 47 signatures on it requesting the festival continue. The businesses immediately outside of Canton might not have owners who were residents, but they employed people who were residents and they paid taxes in Canton. He has been working with the Chamber on a plan to fund future Bluegrass festivals. He requested a few days to work out the details. He said he had many volunteers who assisted with the festival. Having one less day might have helped the bottom line, but he had a lot of people complain there was no fish fry. Cutting back additional days would cause people not to make the effort to attend. Dr. Pepper has been a sponsor and helped pay for ads on the van. The City's First Monday Department paid for the lower half of the ads. The ads would expire in October. The City did not have to continue subsidizing those ads. Mr. Fuller said he had three or four band members who got two rooms for two days and two rooms were reserved for sound people. He felt the Chamber might enable him to work out better hotel deals. Mr. Fuller said the festival was begun in 1977. Mayor Wilson said they were trying to make the festival profitable, or at least to break even. Mr. Fuller said he has considered putting less expensive talent at the beginning of the event.

Debbie Reaves volunteered any assistance she could give to help make the festival continue. Mayor Wilson said they needed more community involvement in the festival. It was a unique opportunity to see big-time stars.

- D. FIRST MONDAY – Lonny Cluck said when he first started working on the budget in February First Monday was \$29,000 under the projections. Now they were \$10,000 over what was made last year. The July totals were \$12,000 over last year. One of the new buildings had six of the former Trade Center vendors as lessees, which brought their revenue down slightly. Income on RV's was up slightly because of the increased rates. Mr. Cluck said some of the Trade Center vendors did not come this month but the City had collected on those spaces. Mr. Cluck proposed allowing free parking for citizens four months out of the year upon presentation of a water bill. This would be a test to determine what problems arose. Many people in the community had part-time jobs on the grounds and would probably have the most impact.
- E. FINES & WARRANTS – Judge Durham reported there were 1500 warrants on backlog. 914 citations were issued on those. 600 warrants were issued. 325 of the cases were cleared. They were still working with the collection agency on the rest. They were fixing the software to improve communications with the company. The amount of outstanding warrants totaled \$569,000 at this time.
- F. POLICE DEPARTMENT FUNDRAISERS – Chief Echols said the Police Department had discussed having fundraisers to raise money for the department. Some ideas were a softball tournament, golf tournament, Santa letters or a haunted house. Councilmember Brockman said he thought that was a great idea. Mayor Wilson said as long as a piece of equipment or other item, such as a drug dog, could be associated with the fundraiser, he would be in favor of the idea. Chief Echols said they would probably first raise money for vests.

Mr. McCuiston reported he met with County Commissioners on the contract agreement for fire services. The proposed contract would begin January 1, 2010 and would run through December 31, 2010. The five-year contract would be renewed annually, if both sides agreed. The City would make runs on fire calls and EMS calls in the County area. In Year 1, the County would pay \$20,000 and it would increase \$20,000 each year up to \$100,000. The payments could be made monthly. Canton would still cooperate under the Van Zandt County Mutual Aid Agreement. The City would act as an independent contractor to provide services. If the County failed to fund the contract, the agreement would stop.

Mr. Cluck introduced three employees who were at the meeting, Robert Little, Tim Cox and Louis Massey.

Mayor Wilson called a recess at 7:59 p.m. The meeting resumed at 8:14 p.m.

Chief Echols reported an incident occurred at the firing range this evening when the employees from the Sheriff's Department were practicing and two bullets entered the Crossroads Baptist Church. Range Master Ashlock had the men practicing head shots and the bullets went over the berm. There were some men in the church at the time, but no one was injured. The Sheriff's Department said they would take responsibility for the incident. Steve Hall said the Texas Rangers would not prepare a report because no injuries were incurred. He said he was there at the time but was not shooting. Another safety officer was also in attendance. Chief Echols said the gun range had been closed.

19. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2009-2010 PROPOSED BUDGET – Mr. McCuistion said the economy was worse than expected and he adjusted the sales tax growth figure from 3% to 2% under last year. He added \$15,000 for nine months of the County contract to the Fire Department budget. He omitted \$425,000 loan because he thought the City could fund that amount. The only need would be \$175,000 for a bulk chemical building at the wastewater treatment plant and \$500,000 for the lock and leave building. Mr. McCuistion said he had deleted the lock and leave building because money would have to be borrowed, but he returned it because of the \$900,000 in revenue it would generate. The building would pay for itself in six years. He said \$310,000 was added to the General Fund from First Monday due to transfer changes. Lisa Circle would cost more than planned. He wanted to leave the curbs in, take out the worst places and asphalt over the whole street, which should give it another ten years of service. The \$175,000 for the water fund was left in. \$54,000 was moved from the water to wastewater fund. The backhoe was removed. Sanitation numbers may change depending on which contract was chosen. Mr. McCuistion said the change in debt service was the original loan amount. \$175,000 was left in for a shorter period so the interest went up. A fire truck was added to the budget. The amount for the backhoe was removed from equipment replacement. The \$10,000 for the Bluegrass was left in until the Chamber decided whether or not they could handle the event. The Chamber would only get \$30,000 from the City unless they took on the festival. If they did that, they would get an additional \$10,000 from hotel/motel tax. He said they were increasing the capabilities of the CEDC so \$10,000 more came back into advertising. The reduction in force would save \$267,000 and allow the City to alleviate some of the debt. He has heard the state governments would burn through their bailouts and start pushing things down to city level. Consumers were not spending because they were concerned. It was harder to get loans and they were not buying big ticket items. Mr. McCuistion said he would like to have reviews next week and would develop a severance package. Councilmember Brockman said the city manager had to handle personnel. Council should not be involved. Mayor Wilson cautioned all positions should be eliminated by Council and on the organizational chart. Mr. McCuistion said the employees affected would be helped in any way the City could through developing resumes and letters of recommendation. Mr. Davis asked if volunteers would be requested for the RIF. Mr. McCuistion said most cities handled this type thing by starting with the quality-of-life departments like parks and libraries. He would target areas that would least affect services. Mr. McCuistion did not have the sewer rate increase at this time. He would look at winter averaging.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

20. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – Mayor Wilson convened in closed session at 8:38 p.m. for consultation regarding potential purchase, lease or sale of real property.


RETURN TO OPEN SESSION

21. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:02 p.m. with no action taken.

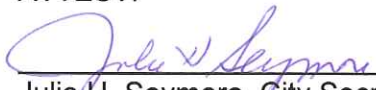
22. ITEMS FOR FUTURE AGENDAS – Councilmember Maris suggested rezoning the area at the main gate to commercial. Mr. McCuistion said the First Monday zoning extended to Groves Street. Councilmember Maris said the property should be commercial because the setbacks allowed building up to the property line.

Council reconvened into executive session at 9:05 p.m. for consultation regarding potential purchase, lease or sale of real property. It reconvened into open session at 9:07 p.m. with no action taken.

23. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 9:08 p.m. upon motion by Councilmember Brockman and second by Councilmember Everett.


Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL

6:00 P.M., FRIDAY, JULY 31, 2009

City Hall Council Chambers, 290 East Tyler Street
Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuistion, City Secretary/Finance Officer Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Building Inspector Coy Prather.

Discussion and action were as follows:

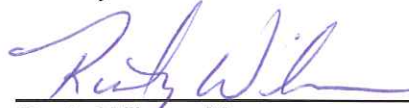
1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:01 p.m. and declared a quorum present.
2. CONSIDER ADOPTION OF ORDINANCE NO. 2009-24 AMENDING ORDINANCE NO. 97-03 REGULATING THE CONSTRUCTION AND USE OF SIGNS WITHIN THE CITY LIMITS AND EXTRATERRITORIAL JURISDICTION OF CANTON – Coy Prather explained the proposed ordinance changed the wording to allow billboards to be considered by the Board of Adjustment. Councilmember Brockman said he had made the previous motion without realizing the affect it would have on the ordinance. Councilmember Brockman made a motion to rescind Council action from the July 21, 2009 meeting and to deny the adoption of Ordinance No. 2009-24 amending Ordinance No. 97-03 regulating the construction and use of signs within the city limits and extraterritorial jurisdiction of Canton. Mr. Prather said he was working on a draft sign ordinance which would be done in two to three weeks. Mr. McCuistion said Mr. Prather had contacted other cities about their existing ordinances. Citizen input could also be considered. Councilmember Maris suggested Mr. Prather have some pictures for citizens to see at the time the new ordinance was considered. Councilmember Everett made a second to the motion. Henry Lewis said the sign ordinance

was written so the signs could not be improved. The longer the signs were there, the more they would deteriorate but would not be eliminated. He did not see an advantage for the City to keep the sign ordinance as it was which prevented the signs from being upgraded. Mr. Lewis also said elimination of the signs would hurt the tax base and sales taxes. All voted in favor of rescinding Council action from the previous meeting and denying the adoption of Ordinance No. 2004-24 except Councilmember Huddle who voted against. Vic Weatherholt with findvendor.com said he put out temporary signs and banners. He hoped the City would not eliminate the small signs he put out. Signage gave out information about where to find businesses. The signs should be allowed during the week of First Monday and removed immediately thereafter. Steve Cash, Old Mill Marketplace, felt the current sign ordinance needed to be modernized. He requested a public hearing on the matter. He also requested temporary signs be allowed during First Monday with regulation. Frankie Porter said he put out signs during First Monday and he wanted to continue. It got the word out to people.

3. CONSIDER ADOPTION OF NEW CITY OF CANTON ORGANIZATIONAL CHART – Mr. McCuiston requested this item be tabled to the next meeting.
4. CONSIDER APPROVAL OF PROPOSED SEVERANCE PACKAGE – Mr. McCuiston said the City had been considering a Reduction in Force of 10% of the staff. One vacancy was created and that position was eliminated. Another position was opened at the wastewater plant and was filled by another employee, so only 5-1/2 positions were left to eliminate. He proposed giving the employees one week of pay for every year of employment with a minimum of six weeks and a maximum of twelve. It would be in a lump sum payment, including retirement benefits. The insurance and TMRS did not allow benefits if the employees were not full-time, active employees. The City would pay 100% of the COBRA for an employee for the first six months and 65% for an additional three months. The employees would also be paid any accrued comp or vacation time and any sick time if they had been employed at least ten years. The City would provide outplacement services, recommendation letters, computer, internet and fax access and would provide training on preparing resumes and job searches. The employees would also be eligible for unemployment benefits. The cost of the total package in current year would be \$32,000 and the following year \$50,000. Mr. McCuiston said \$270,000 would be saved by the elimination of the positions. He added the Nolenville Mayor just laid off everybody in their police department except the chief and only had \$13,000 left in the bank. He felt it was wise to get ahead of the whole thing and not get in the same position. Councilmember Brockman felt the City should be frugal in what money it doled out to anybody else outside the organization. It was not fair to the employees to subsidize anyone else. He felt the severance package was fair. Mr. McCuiston said they were in the review process and then the individual employees would be notified. Councilmember Huddle made a motion to approve the proposed severance package. Councilmember Maris seconded and all voted in favor. Mr. McCuiston said he did not see any future need for another reduction in force at this time.
5. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2009-2010 PROPOSED BUDGET – Mr. McCuiston said the main change to the proposed budget was the severance package. There was a negative \$220,000 impact from the reduction in force. That amount would be spread through the different funds. The overall bottom line showed a \$29,000 loss. If the new sewer rates were adopted, the amount generated from that would make up the deficit. Another change was the health insurance increase went to 11% from 10%. \$12,000 was added for a contractor to provide the required B license at the wastewater plant. The last adjustment was a \$1275 reimbursement from CEDC for salary and insurance. Mr. McCuiston explained there were two components regarding wastewater

rates, residential and commercial. He recommended raising the residential and commercial rates from \$1.42 per 1000 to \$2.00 per 1000. For commercial, he also wanted to increase the base rate from \$13.65 to \$14.00. This should generate approximately \$30,000 more. Julie Seymore said most people used about 7500 gallons. The residential bill would be the same each month with winter averaging. The water rate would fluctuate based on usage, the sewer rate would not. Each account was calculated individually by the computer. She said it would have no impact on a residential user of 1500 gallons or less. Mr. McCuiston said on the commercial side, they shifted costs to the high volume users. Many cities have gone to winter averaging. Councilmember Brockman said every city where he was city manager went to winter averaging. Julie Seymore said the average residential cost for cities the size of Canton was \$21.69 for 5000 gallons. Canton would be \$16.50, which was well below the average. Mr. McCuiston said this rate increase would not make the sewer fund self-supporting. The amount to be subsidized would decrease by \$30,000. Ms. Seymore said the top commercial users were the car wash, Trinity Mother Frances, the jail, schools, WalMart, and Mill Creek Ranch. The high residential users were in Lake Meadows, Granada Square, Etheridge Circle and Mill Creek. Mr. McCuiston confirmed winter averaging was for residential only, not commercial. The water rates would remain the same. Mr. McCuiston reported the City received \$7000 from Paul Michael for payment of back rent.

6. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 6:38 p.m. upon motion by Councilmember Huddle and second by Councilmember Brockman.


Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL

6:00 P.M., FRIDAY, AUGUST 13, 2009

City Hall Council Chambers
290 East Tyler Street
Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Clay Nicklas, Robert Brockman, Lou Ann Everett, Charles Huddle, and Ross Maris. Mayor Rusty Wilson was absent. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, Chief Mike Echols and Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Pro Tem Nicklas called the meeting to order at 6:00 p.m. and declared a quorum present.
2. COUNCIL AND STAFF WORK SESSION FOR FISCAL YEAR 2009-2010 PROPOSED BUDGET – Josh Bray of Sanitation Solutions addressed Council regarding the types of

services his company would be able to provide to the City, such as brush service, bulk item pickup, street cleaning and payments for use of the transfer station. They could also provide a recycling service, if needed. They would spend \$25,000 to bring the transfer station up to code. For a longer-term contract, they would spend up to \$75,000 to improve the transfer station so it would allow semi-trailers. The Tyler TCEQ would vouch for them as operators.

Tony Cain of Allied Waste brought with him James Murphy, the General Manager, and Reed Donaldson, the Area Municipal Manager, to show how important Canton's business was to Allied. Mr. Cain felt Allied had earned the City's trust over the last twenty years. They would be asking for only a modest rate increase this year. Mr. Cain felt the City was much better off to have a company with the strength of Allied. Cheaper was not always better. James Murphy said what set Allied apart from its competition was they cared about their employees and about the citizens they serviced.

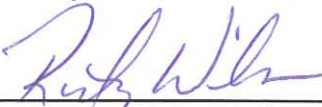
Mr. McCuiston said the total property taxes for next year would increase by \$168,057, which was about 18%. The effective rate would be about 37 cents. He recommended staying with the current tax rate. The first public hearing would be September 3 at 6:00 p.m. The next public hearing would be September 8 at 7:30 p.m. and Council would be voting on the budget September 14 at 6:00 p.m. The budget for 2008-2009 was \$15,147,000. The 2009-2010 was \$12,081,000. Some reasons for the decrease were the \$1 million for work on Etheridge Road was included in the previous budget, the plan to decrease the general fund budget and a decrease of \$500,000 in the First Monday budget. The budget presented was a balanced budget with an excess of \$6,265. The appraisal district numbers showed total taxable value of \$270,740,842. Subtract from that the frozen taxes for an estimated current tax collection of \$1,098,836. This year's budget included new debt of \$500,000 for the lock and leave building and \$175,000 for a bulk storage building at the water plant. The budget indicated the City would be paying off more debt than it added. The changes also showed \$328,500 received from maintenance and operations property tax. Most of the other changes dealt with the reduction in force and how each department was affected. The last page indicated 70% of the property tax would be used to pay debt service. The City has been granted a \$50,000 grant from CopSync for computers in the vehicles. Mr. McCuiston pointed out the advertising from the Tourism and Marketing fund was reduced.

Charles Bazhaw said they spoke with several vendors when searching for a fire engine. They anticipated a ten-year lease/purchase agreement. They applied for a grant through Government Solutions for an emergency purchase which could go towards the purchase of the vehicle. The City would secure an escrow loan which would accrue interest until October 1. This indicated to the company the City was serious about the purchase and they would be paid October 1. Chief Bazhaw said they were purchasing a 2008 truck with a 1000 booster tank, foam system and scene lights. It came with a one year bumper-to-bumper warranty. They would possibly have possession in November after the necessary modifications were made. Chief Bazhaw wanted to keep in communication with Sutphen to assure them the City would purchase the vehicle. The next step would be to enter into a contract or funding agreement with Government Capital by August 10.

Mr. McCuiston said he spoke with Rona Watson of the Chamber of Commerce after her meeting with the Chamber Board. They indicated they would like a two-year contract and \$40,000. They would take \$10,000 to host two festivals and would stay open on First Monday Saturdays. Mr. McCuiston informed her the City was offering a one-year contract for \$30,000, an additional \$10,000 if they held the two festivals, and they had to be open from Monday through Saturday of First Monday week. Mercy Rushing reported the advertising was cut to \$30,000-35,000. There were no funds allocated for advertising the Bluegrass Festival. Generally Dr. Pepper donated \$3000 every year for the Bluegrass. Mr. McCuiston

said Ms. Watson had indicated to him they would no longer pay for Mr. Fuller's travel or ads on his vehicle. Any money received for the auctions would go into the revenues to make the event profitable. Mr. Fuller would handle the talent and the Chamber would handle all other aspects of the festival. Ms. Rushing said the extra \$10,000 would come from the Tourism fund out of hotel/motel tax. She was currently working on billboards and \$180,000 would come from the hotel/motel tax fund for those. She said after the Dr. Pepper contract expired in 2010 the vending machines would be removed from Mr. Lewis' property. The transfer from First Monday for advertising was strictly for the City's portion of First Monday. Mr. McCuiston said the hotel/motel tax revenue had increased since they have been working more closely on collections. Two more hotels would be audited this coming year. He said the budget only showed the \$30,000 for the Chamber at this point. They would add \$10,000 if Council wished to continue the Bluegrass Festival and Western Swing. Councilmember Brockman said he was willing to include \$30,000 for the Chamber and \$10,000 for the festivals and that was all. Lou Ann Everett agreed we should only have a one-year contract with the Chamber for \$30,000, the additional \$10,000 for the festivals and they should remain open the entire week of First Monday.

3. ADJOURN - There being no further business to discuss, Mayor Pro Tem Nicklas adjourned the meeting at 7:11 p.m. upon motion by Councilmember Brockman and second by Councilmember Huddle.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL

6:00 P.M., THURSDAY, AUGUST 20, 2009

City Hall Council Chambers
 290 East Tyler Street
 Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore and Directors Mercy Rushing and Lonny Cluck were also in attendance, as well as Fire Chief Charles Bazhaw, Police Chief Mike Echols, Municipal Court Judge Lilia Durham, City Attorney Richard Davis and Building Inspector Coy Prather.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:02 p.m. and declared a quorum present.
2. INVOCATION was given by Councilmember Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.

4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – None
5. PROCLAMATIONS AND ANNOUNCEMENTS
 - A. PROCLAMATION DECLARING MONDAY, SEPTEMBER 7, 2009, AS “MDA DAY” – Councilmember Brockman made a motion to declare Monday, September 7, 2009, “MDA Day.” Councilmember Nicklas seconded and all voted in favor.

CITIZEN’S FORUM

6. CITIZEN’S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - None

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM JULY 11, 21 AND 31, 2009, CITY COUNCIL MEETINGS – The minutes from the July 11, 21, and 31, 2009 City Council meetings were unanimously approved upon motion by Councilmember Everett and second by Councilmember Maris.
8. CONSIDER APPROVAL OF JULY 2009 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance at the end of July of \$3.565 million, which was a decrease of \$756,000 due to the annual long-term debt payment. Long-term debt was now \$5.875 million. Total debt was \$6.5 million. Revenue to date was \$10,633,000, which was 81% of the budget. \$1,038,000 had been collected in property taxes. Expenditures were \$11.4 million, which was 76% of what was budgeted. Councilmember Huddle made a motion to approve the July 2009 financial statements. Councilmember Nicklas seconded and all voted in favor.
9. CONSIDER ADOPTION OF RESOLUTION NO. 2009–12 SUPPORTING THE ADDITION OF A SECONDARY PUBLIC SAFETY ANSWERING POINT (PSAP) IN LONGVIEW AT CHAMPION EMS HEADQUARTERS – Chief Bazhaw explained the resolution was in support of a one-touch dial system for dispatchers to reroute a call. The dispatcher could stay on the line with the call and reroute the call to EMS or the Sheriff’s Department. The system was through an ETCOG project and required the City’s permission. The system would provide better customer service by eliminating dropped calls. Councilmember Maris made a motion to adopt Resolution No. 2009-12 supporting the addition of a secondary public safety answering point (PSAP) in Longview at Champion EMS Headquarters. Councilmember Nicklas seconded and all voted in favor.
10. CONSIDER ADOPTION OF RESOLUTION NO. 2009–13 DECLARING COUNCIL DOES NOT SUPPORT THE PROPOSITION FOR PACKAGED ALCOHOL SALES IN PRECINCT 1 WITHIN THE CITY LIMITS OF CANTON – Mr. McCuistion said the Council had requested to be on record in opposition of the sale of packaged alcohol sales in Precinct 1 within the city limits of Canton. Mayor Wilson explained if Precinct 1 voted to sell alcohol, the City could not overrule that decision with its own election. Councilmember Nicklas made a motion to adopt Resolution No. 2009-13 declaring Council does not support the proposition for packaged alcohol sales in Precinct 1 within the city limits of Canton. Councilmember Maris seconded and all voted in favor.
11. CONSIDER APPROVAL OF INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY FOR NOVEMBER 3, 2009 JOINT ELECTION – Julie Seymore said the County Clerk had proposed the agreement for the November 3, 2009 election, but it had not yet been

15. CONSIDER PROPOSAL TO ADOPT 2009 TAX RATE AND SCHEDULE PUBLIC HEARINGS – Councilmember Brockman made a motion to approve the proposal to adopt a tax rate of .42523 be placed on the Council Agenda for 6:00 p.m., Monday, September 14, 2009, and to schedule two Public Hearings – one at 6:00 p.m. on Thursday, September 3, 2009, and a second at 7:30 p.m. on Tuesday, September 8, 2009. Councilmember Nicklas seconded. Councilmember Huddle voted aye, Councilmember Maris voted aye, Councilmember Everett voted aye, Councilmember Nicklas voted aye and Councilmember Brockman voted aye.
16. CONSIDER AWARDED BID FOR EAST OUTFALL SANITARY SEWER MAIN – PHASE II – Lonny Cluck explained the East Outfall Sanitary Sewer Line was a project funded by the CEDC. Nineteen bids were received. The lowest was \$223,701 from AAA Sanitation, Inc. Gary Burton recommended accepting the bid. Mr. Cluck said the City had worked with AAA Sanitation previously. Councilmember Maris made a motion to award the bid for the East Outfall Sanitary Sewer Main to AAA Sanitation, Inc. for \$223,701. Councilmember Everett seconded and all voted in favor.
17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-25 AMENDING CITY OF CANTON FISCAL YEAR 2008-2009 BUDGET – Mr. McCuiston recommended this matter be tabled in order to determine what other adjustments were needed.
18. CONSIDER REQUEST FOR PLANNING & ZONING COMMISSION TO MAKE RECOMMENDATION ON AMENDING THE CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE AND A PROPOSED ZONING CHANGE FROM FIRST MONDAY BUSINESS (FMB-A1) TO LOCAL BUSINESS DISTRICT (B-1) FOR ALL TRACTS LOCATED IN THE AREA BETWEEN GROVES STREET AND TERRELL STREET FROM TRADE DAYS BLVD. TO LITTLE STREET – Julie Seymore said it had been suggested the area from Little Street to Highway 19 outside the old First Monday main gate be rezoned from First Monday Business to Local Business District (B-1) to meet the needs of the downtown area. The Future Land Use Plan would also need to be reviewed to see whether or not an amendment should be made. The Planning & Zoning Commission would review the matter at their next meeting. Councilmember Maris made a motion for the Planning & Zoning Commission to make a recommendation on amending the City of Canton 2004 Comprehensive Plan regarding future land use and a proposed zoning change from First Monday Business (FMB-A1) to Local Business District (B-1) for all tracts located in the area between Groves Street and Terrell Street from Trade Days Blvd. to Little Street. Councilmember Everett seconded and all voted in favor.
19. CONSIDER ADOPTION OF RESOLUTION NO. 2009-15 APPROVING AMENDED BYLAWS FOR CANTON ECONOMIC DEVELOPMENT CORPORATION – Mercy Rushing explained the resolution was for housekeeping purposes only. It added Lynn Kitchens as Secretary and Treasurer and allowed the CEDC office to maintain their permanent records for a period of two years and they would then go to the City for permanent storage. Councilmember Everett made a motion to adopt Resolution No. 2009-15 approving the amended Bylaws for Canton Economic Development Corporation. Councilmember Nicklas seconded and all voted in favor.
20. CONSIDER ADOPTION OF RESOLUTION NO. 2009-16 APPROVING GRANT APPLICATION FOR COPYSYNC INTEROPERABILITY PROJECT THROUGH AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 – Chief Echols said the Copsync Interoperability Project required approval by Council for the \$50,000 grant

reviewed by the County Commissioners. The County would test and provide election day equipment, do election day voting and tabulate the city's votes, as well as provide the City with an unofficial tabulation. The City would order the election, post and publish the notice of election, approve the ballot and do early voting at City Hall. The County would have an extra clerk at each polling place to take care of the City's voters. Councilmember Brockman made a motion to approve the inter-local agreement with Van Zandt County for the November 3, 2009, joint election. Councilmember Everett seconded and all voted in favor.

12. **CONSIDER APPROVAL OF CHAMBER OF COMMERCE SERVICE AGREEMENT** – Mr. McCuistion reported the Chamber agreed to a one-year contract for \$30,000, an additional \$10,000 for holding two festivals and to be open Monday through Saturday of First Monday week. He said Rona Watson wished to express her appreciation for the City's support of the Chamber. She has indicated Council would be pleased with the changes made to the festivals and they would come in at a profit. Councilmember Everett made a motion to approve the Chamber of Commerce Service Agreement as presented. Councilmember Nicklas seconded and all voted in favor.
13. **CONSIDER ADOPTION OF RESOLUTION NO 2009-14 APPROVING FINANCE CONTRACT WITH GOVERNMENT CAPITAL CORPORATION FOR EMERGENCY PROCUREMENT OF A FIRE APPARATUS** – Chief Bazhaw pointed out an error in the contract stating the payment amount was due September 2009 instead of 2010. Mr. McCuistion said there was funding in next year's budget for the payment. Mayor Wilson said the first payment would be made as soon as possible in next year's budget. Councilmember Maris made a motion to adopt Resolution No. 2009-14 approving the finance contract with Government Capital Corporation for the emergency procurement of a fire apparatus in the amount of \$47,591.36 to be paid September 2009. Councilmember Brockman seconded and all voted in favor. Chief Bazhaw said they have applied for a grant to help pay for the vehicle.
14. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-24 AMENDING CITY OF CANTON FEE SCHEDULE** – Julie Seymore explained the fee schedule was a combination of City fees. Building permits and sign permits were proposed to be based on the square footage of the project, the impact fees on larger meters were reduced by half, and a \$4 fee for an incident report from the Police Department was added. The utility deposits were increased by \$50 to \$100 for residential and \$150 for commercial. The wastewater rates for residential and commercial were increased from \$1.42 to \$2.00 per thousand, with winter averaging for residential customers. Mr. McCuistion said the new sewer rate increase would go into effect October of November and would use last year's average. Councilmember Everett questioned why the impact fee on a 1-1/2 inch tap was \$4,500 and a 2-inch tap was \$3,600. Mayor Wilson requested the 1-1/2 inch tap be set at \$6,500 as the total impact fee. Mr. McCuistion said the larger impact fees were for commercial. With winter averaging there would be less need for sprinkler systems. There has not been a contract signed yet for trash pickup services. Coy Prather said he compared Canton's building permit fees to other cities and they were competitive. He said the electrical, plumbing and H&A fees were significantly lower. He suggested using the square footage of the project as a basis for the permit fee rather than the contractor rates. Mr. McCuistion said there would be no changes to the water rates this year. Julie Seymore added the only change for miscellaneous fees was the \$4 incident report for the Police Department. Councilmember Everett made a motion to adopt Ordinance No. 2009-24 amending the City of Canton fee schedule as presented with the exception of the change to the 1-1/2 inch water tap fee which would be a total of \$6,500. Councilmember Brockman seconded and all voted in favor.

received by the Police Department. The grant was to purchase computers for the police cars. There would be no expense to the City. The computers would enable an officer to get reports on an individual and to print tickets from their police car. They planned to install eight computers. The monthly cost would be minimal. Councilmember Nicklas made a motion to adopt Resolution No. 2009-16 approving the grant application for the Copsync Interoperability Project through the American Recovery and Reinvestment Act of 2009. Councilmember Brockman seconded and all voted in favor.

21. **CONSIDER APPROVAL OF FIRST MONDAY MASTER PLAN** – Mr. McCuiston reviewed adjustments made to the First Monday Master Plan. Vendor Marketing Assistance was added. They planned to have a consultant assist vendors on how to set up their booths. A new vendor incubator was added to the plan to give vendors assistance at a nominal rate for help in setting up their accounting practices and other business policies. Another addition was the Youth in Community idea to get high school students involved with First Monday. The creek channel had already been reworked. The City was working with the new owner on Highway 19 to ensure the best benefit for a total market. The idea for acquisition of the Paul Michael building has been brought up. Another idea for the plan was the extension of Trade Center IV. The bids for the City lock and leave building would be opened August 27. Councilmember Maris requested Mr. McCuiston have an updated map of the First Monday grounds with the proposed building projects. Mr. McCuiston clarified that the fee for a climate controlled vehicle was for those vehicles that hooked into electrical and ran air conditioning. Mr. McCuiston said he did not intend to raise the lot rent at this time but had given the amount that could be gained by adding \$5 per lot. He said it was difficult to give a timeline on the various projects because a lot of them depended on funding. He said the Committee had discussed charging scooter vendors for use of the grounds. Since H&T was purchased, there have been some changes and they were unclear how that would be affected. Mayor Wilson suggested having a permit fee for the scooters. Mr. McCuiston said the plan could be amended and a timeline developed. Mr. McCuiston said the Council had always suggested First Monday should be run like a business. He requested they give guidance as to whether they wanted to keep rates low and occupancy high or raise the rates and have more vacancies. Councilmember Maris said there could be tiered-rate arrangements. Mayor Wilson said in this economy, it was not the best time to raise lot rentals. He said the Committee should take time to develop an actual plan for tiered rates and then present it to Council. Councilmember Maris reminded Council a lot of money had been spent on roads, restrooms, and bridges and the vendors had not had an increase. Mr. McCuiston indicated he would prepare a timeline and have more aerial photos taken of the grounds. Councilmember Nicklas made a motion to approve the amendments to the First Monday Master Plan. Councilmember Maris seconded and all voted in favor.
22. **CITY MANAGER'S REPORT**
 - A. **FIRST MONDAY** – Lonny Cluck reported the revenue from open air lots in August 2009 was \$5,690 more than last year. The Civic Center revenues were up \$690. The total for RV's was up \$870 compared to last year and the Unreserved revenue was up \$2,000. For the month of August, revenues were up \$9,000 from last year. Expenses were also up. Mr. McCuiston said the bottom line was \$9,000 over August of last year and up \$19,000 year to date. There were a minimum amount of rate changes over the last several years. Mayor Wilson requested the information for H&T be left on the financials so they could have a total financial picture.
 - B. **WASTEWATER TREATMENT PLANT** – Lonny Cluck reported the wastewater treatment plant was twenty years old and had a lot of serious issues due to lack of preventative maintenance. They were frantically trying to make repairs but still had a long way to go. Not all the clarifiers or air blowers were working. All three pumps

and the station were operational.

- C. FINES & WARRANTS – Judge Durham reported 67 warrants were cleared this month, 37 with payment plans and 28 cases with jail time served. She said the relationship with the collection agency was going well. The grant with Copsync Court would also have an interface to import to the Court all the citations written.


EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

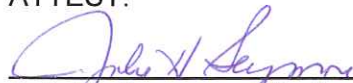
23. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – After calling a brief recess at 7:15 p.m., Mayor Wilson convened into closed session at 7:21 p.m. for consultation regarding potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

24. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 7:34 p.m. with no action taken.
25. ITEMS FOR FUTURE AGENDAS – Councilmember Everett said something should be posted at the First Monday gates that no alcohol was allowed. Mr. Cluck said signs were already posted. Mr. McCuiston said the Planning & Zoning Commission would be looking at zoning for package sales of alcohol. Councilmember Huddle wanted to have on the agenda vendor swapping at First Monday.
26. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 7:39 p.m. upon motion by Councilmember Huddle and second by Councilmember Brockman


Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

CALLED MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., THURSDAY, SEPTEMBER 3, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103


MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson and Councilmembers Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuiston, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore and City Attorney Richard Davis were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:03 p.m. and declared a quorum present.
2. PRESENTATION BY CONWAY COMPANY, CPAS REGARDING 2007-2008 FISCAL YEAR AUDIT – Mike Conway of Conway Company presented the independent auditor's report for fiscal year ending September 30, 2008. He reported the City's assets increased from \$23.3 to \$26.9 million. It had a \$2 million increase in capital assets and \$1.3 million in cash and other assets. Liabilities were approximately \$8.6 million. He said a good deal of the increase in capital assets was due to the addition of physical infrastructure and hard assets. Total revenues for the year increased to \$10.6 versus \$9.9 million in fiscal year 2006-2007. He thought this was the first time the City's revenues had exceed \$10 million, which was a significant milestone. Charges for services were up and sales tax revenue and property tax revenue had also increased. A lot of cities had not had an increase in sales tax revenues. Mr. Conway pointed out the business activities compared to governmental activities. He said in the last two to three years the City had made significant progress in funding the water and sewer facilities. That was an improvement. He said Conway Company had been doing the City's audit for ten years and continued to see improvement in the City's financial results. Mr. Conway said in 2010 the City would be required to book its unfunded pension liability, which was approximately \$1.34 million. This would affect the fund balance. He recommended this not be listed as a budget item since it was non-cash that could be shown on the balance sheet. He said the City had had a very good year. Mr. Conway said there were no significant issues in reaching their opinion. They had provided some information about some adjustments that were not material to operations. No serious internal control issues were encountered. Mr. McCuiston pointed out the City had provided the auditors information to correct the asset list of vehicles and equipment.
3. CONSIDER ACCEPTANCE OF 2007-2008 FISCAL YEAR AUDIT – Councilmember Brockman made a motion to accept the 2007-2008 fiscal year audit. Councilmember Maris seconded and all voted in favor.
4. CONSIDER AWARDDING BIDS FOR FIRST MONDAY LOCK AND LEAVE BUILDING – Corey Hogue from Gary Burton & Associates said the lock and leave building was bid last Thursday. It was separated into three bids: site work, the building work and electrical. The low bid for the site work and building work was Athens Steel. The low bid on the electrical was Chrietzberg Electric. The total base bid was \$557,480 for a concrete floor and a seamless roof. The three alternatives were a wood floor, the addition of ceiling fans down the center of the building, or a screw-down roof. Mr. Hogue said he had spoken to Mr. Cluck and Mr. McCuiston about the City performing site work items 2-7 which would be a cost savings of \$26,031.00. Mr. Hogue's recommendation was to have the wood floor, a screw down roof, to add the fans, and for the City to perform site work items 2-7. Mr. McCuiston mentioned the fans were six five-foot ceiling fans which would be hung from a beam down the middle. Corey Hogue said Mr. Brown of Athens Steel would reduce his total bid by \$10,000 if the City relaxed the requirements on the insurance and not require additional insurance over what they already carried. Mr. Hogue did not recommend waiving the insurance requirement. Mr. McCuiston said Athens Steel currently carried \$3 million in insurance and the insurance requirement made him also carry workers comp coverage. There was a brief discussion regarding whether or not to waive the insurance requirement. Councilmember Maris made a motion to accept the bid with the insurance waiver after confirming Athens Steel carried workers comp insurance, and to include a ramp on the front of the building. Councilmember Brockman seconded and all voted in favor. Debbie Davis stated she felt the Council had not done much research before approving the construction of the building.

5. CONSIDER APPROVAL OF FUNDING FOR GROUNDWATER MANAGEMENT AREA STUDY – Mr. McCuiston explained Groundwater Management Area 11 included twenty-seven counties, one of which was Van Zandt County. A lot of counties had groundwater management districts, Van Zandt County did not. The next meeting was scheduled September 15 and he planned to attend to convey data to the group regarding Canton before decisions were made by people outside the area. He said the City was requested to provide some funding to be a part of the group. Councilmember Nicklas made a motion to approve \$500.00 for funding for the Groundwater Management Area study. Councilmember Everett seconded and all voted in favor.
6. CONSIDER APPROVAL OF REQUEST FROM AFIF KARAFI FOR WATER TAP OUTSIDE CITY LIMITS AT 691 VZCR 4126 – Mr. McCuiston said there was a water line in the area already with non-residents connected. The policy was to allow a water tap outside the city limits if the owner signed an agreement saying they would annex when eligible and to pay for the tap, which the Karafis have done. Councilmember Everett said five or six individuals would have to be annexed before the Karafis would be eligible. Councilmember Brockman said until they were eligible to annex, he did not want to add any additional outside customers to the system. Councilmember Everett said there was no incentive for the outside residents to become part of the city. She also was against adding any more non-residents to the system. Julie Seymore noted this was the first request for outside service this year. Mr. Cluck said the Karafis had a community well which had gone bad, which was probably the reason the others came onto the City's system. The well was currently shared by three users now. All four houses on the west side of the road have been on city water more than fifteen years. Councilmember Brockman made a motion to deny the request from Afif Karafi for a water tap outside the city limits at 961 VZCR 4126. Councilmember Everett seconded and all voted in favor of denying the request.
7. CONSIDER APPROVAL PROCESS FOR GRANTING WATER TAPS OUTSIDE CITY LIMITS – Mr. McCuiston said the item was moot because of the Council's position on granting water taps outside the city limits and could be removed from the agenda. Mayor Wilson said if a resident or business outside the city limits wished to come into the city, they would be allowed a water tap.
8. PUBLIC HEARING ON PROPOSED TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010 – A public hearing was opened at 6:45 p.m. on the proposed tax rate for the fiscal year beginning October 1, 2009, and ending September 30, 2010. Julie Seymore said it was determined the fireworks could not be paid from hotel/motel tax funds; therefore, there some internal changes were made to the proposed Tourism & Marketing Budget. The overall budget was appx. \$12 million. \$10.5 million was expenditures and \$1.5 million was for interfund transfers. The proposed tax rate was .42523 per \$100 valuation. A 97% collection rate would yield \$1,098,000. With the amount of delinquent taxes expected, the revenue would be \$1.1 million. The effective rate was .37552, which was below the rollback tax rate. The average taxable value of a homestead in Canton for 2008 was \$82,246 and in 2009 was \$82,515. Hearing no further comments, the public hearing was closed at 6:48 p.m. Mayor Wilson announced a second public hearing would be held on September 8, 2009, and a final hearing and vote on September 14, 2009. Mr. McCuiston said the hearing on September 8, would start at 7:30 p.m.
9. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 6:49 p.m. upon motion by Councilmember Brockman and second by Councilmember Huddle.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

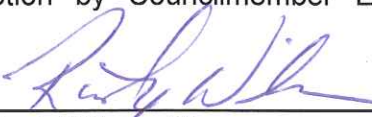
CALLED MEETING OF THE CANTON CITY COUNCIL
7:30 P.M., TUESDAY, SEPTEMBER 8, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

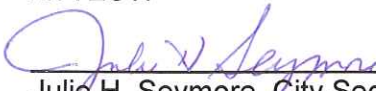
The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Clay Nicklas, Robert Brockman, Lou Ann Everett, and Ross Maris. Mayor Rusty Wilson and Councilmember Charles Huddle were absent. City Manager Andy McCuistion, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis and Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Pro Tem Nicklas called the meeting to order at 7:33 p.m. and declared a quorum present.
2. PUBLIC HEARING ON PROPOSED TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010 – Mayor Pro Tem Nicklas opened a public hearing at 7:33 p.m. Mr. McCuistion said everything in this version of the budget was the same as the last meeting. Julie Seymore explained it was a \$12 million budget. There were \$10.5 million in expenses and \$1.5 in interdepartmental transfers. Revenues in the general fund were \$3.8 million and \$1.3 million in debt service. The tax rate would be .42523. The average homestead in the City had an \$82,515 taxable value. The tax rate would increase \$1.14. Based on a 97% collection rate, the City would collect \$1.098 million in tax revenue. The effective tax rate was .37552. The rollback rate was .43279. Canton's tax rate was below that at .42523. The public hearing was closed at 7:37 p.m. Mayor Pro Tem Nicklas announced the final vote would be taken September 14, 2009, at 6:00 p.m.
3. ADJOURN - There being no further business to discuss, Mayor Pro Tem Nicklas adjourned the meeting at 7:37 p.m. upon motion by Councilmember Everett and second by Councilmember Brockman.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., MONDAY, SEPTEMBER 14, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuiston, Assistant City Manager – Operations Lonny Cluck, and City Secretary/Finance Officer Julie Seymore were also in attendance, as well as Police Chief Mike Echols, City Attorney Richard Davis and Building Inspector Coy Prather.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was given by Councilmember Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS – Julie Seymore announced the City was honoring Sam Deen with a proclamation declaring September 14, 2009 as Sam Deen Day at a Welcome Home Solider event. Mayor Wilson said since the Council members could not attend, Mercy Rushing was making the presentation.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Afif Karafi asked Council to reconsider providing water service to his home at 691 VZCR 4126. The water in their well was full of iron and not good for their house. A City water meter was located just two feet from his property. He filled out the paperwork for the request and paid the fee and then was denied service. He did not see how another company could provide him service with city water lines running all the way up his street. Having a city connection was the only option for him to obtain water. Mayor Wilson said Council would reconsider the matter at the next meeting. Diane Saxton asked Council to reconsider the two hour parking limit downtown. She said it deterred tourists from coming to Canton. Mayor Wilson said it would be considered on the next agenda.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM AUGUST 13, AND 20, 2009, CITY COUNCIL MEETINGS – Councilmember Everett noted a typographical error on the August 20, 2009 minutes. Councilmember Brockman made a motion to approve the August 13 and 20, 2009, City Council minutes with that change. Councilmember Everett seconded and all voted in favor.
8. CONSIDER APPROVAL OF AUGUST 2009 FINANCIAL STATEMENTS – Julie Seymore reported a cash balance of \$3,378,711, debt service of \$6.4 million, and year-to-date

revenue of \$11.6 million. She said expenses to date were \$12.6 million. Councilmember Brockman made a motion to approve the August 2009 financial statements. Councilmember Maris seconded and all voted in favor.

9. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009 AND ENDING SEPTEMBER 30, 2010 – Mayor Wilson opened a public hearing on the proposed budget for fiscal year beginning October 1, 2009, and ending September 30, 2010, at 6:09 p.m. There being no comments, he closed the public hearing at 6:11 p.m.
10. CONSIDER ADOPTION OF ORDINANCE NO. 2009-25 APPROVING PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009 AND ENDING SEPTEMBER 30, 2010 - Councilmember Nicklas made a motion to adopt Ordinance No. 2009-25 approving the proposed budget for fiscal year beginning October 1, 2009, and ending September 30, 2010. Councilmember Brockman seconded and all voted in favor.
11. CONSIDER RATIFICATION OF INCREASED PROPERTY TAX REVENUES REFLECTED IN BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009 AND ENDING SEPTEMBER 30, 2010 – Mayor Wilson said the tax rate was the same as the previous year, although with new businesses, revenue would increase. Councilmember Everett made a motion to ratify the increased property tax revenues reflected in the FY 2009-2010 Budget adopted pursuant to Ordinance No. 2009-25. Councilmember Maris seconded and the vote was as follows: Councilmember Huddle – Aye, Councilmember Maris – Aye, Councilmember Everett – Aye, Councilmember Nicklas – Aye, and Councilmember Brockman – Aye.
12. CONSIDER ADOPTION OF ORDINANCE NO. 2009-26 LEVYING TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009 AND ENDING SEPTEMBER 30, 2010 – Councilmember Everett made a motion to adopt Ordinance No. 2009-26 and that the property tax rate be increased by the adoption of a tax rate of \$0.42523 per \$100 valuation, which is effectively a thirteen percent increase in the tax rate. Councilmember Brockman seconded and all voted in favor.
13. CONSIDER ADOPTION OF RESOLUTION NO. 2009 – 16 APPROVING CANTON ECONOMIC DEVELOPMENT CORPORATION BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2009 AND ENDING SEPTEMBER 30, 2010 – Councilmember Maris made a motion to adopt Resolution No. 2009-16 approving the Canton Economic Development Corporation Budget for fiscal year beginning October 1, 2009 and ending September 30, 2010. Councilmember Nicklas seconded and all voted in favor.
14. CONSIDER ADOPTION OF RESOLUTION NO. 2009 – 17 AUTHORIZING AND APPROVING \$500,000 LOAN FOR CONSTRUCTION OF LOCK AND LEAVE BUILDING AT FIRST MONDAY TRADE DAYS – Councilmember Huddle stated he was the only one who opposed the construction of the building in these economic times. He questioned why the City paid the engineers \$38,000 when it was a pre-engineered building. The cost for the interior was not included in the \$500,000 figure. A competitor was going to build a 100 unit building in a much better location in the T-section. Councilmember Maris made a motion to adopt Resolution No. 2009-17 authorizing and approving the \$500,000 loan for the construction of a lock and leave building at First Monday Trade Days. Mr. McCuistion said the information from all the banks had not yet been received and this was approving the resolution only, not which loan. Councilmember Everett seconded. All voted in favor except Councilmember Huddle who voted against. Mr. McCuistion said if a particular bank required another resolution, it would be brought to Council.

15. PUBLIC HEARING REGARDING CITY OF CANTON, TEXAS CAPITAL FUND APPLICATION – Gary Traylor said the Texas Capital Fund Main Street Program administered a grant through the Texas Department of Agriculture and accepted applications once a year. The grant could be used primarily for the removal of architectural barriers that prevented access of sidewalks for people with disabilities and to improve downtown sidewalks. The funds from the TxDOT grant the City received a few years ago had been exhausted before all the sidewalks were renovated. Mercy Rushing had asked Mr. Traylor's firm to assist in the application for the Texas Capital Fund grant. The funds would be used for the south side of the courthouse square on Tyler Street. The maximum amount of the grant was \$150,000 which would be matched with \$48,000 from the CEDC. He said the purpose of the hearing was for the City to provide information to the public and to accept comments. The grant would not be awarded before January 1, 2010. Application for the deadline was October 13, 2009. A public hearing regarding the City of Canton, Texas, Capital Fund application was opened at 6:22 p.m. Mr. Traylor explained his firm charged 3% for the cost of preparation of the application and management of the project. The fee would be \$18,000. \$15,000 would be paid from grant funds and \$3000 from CEDC. There being no additional comments, the public hearing was closed at 6:24 p.m.
16. CONSIDER RESOLUTION NO. 2009-20 FINDING AND DETERMINING A CERTAIN AREA OF THE CITY CONTAINS CONDITIONS WHICH ARE DETRIMENTAL TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY AND CONSTITUTES A BLIGHTED AREA – Mr. Traylor explained a fundamental requirement of the program was passing the resolution to show the City was deficient in its infrastructure. Councilmember Brockman made a motion to pass Resolution No. 2009-20 finding and determining a certain area of the City contained conditions which were detrimental to the public health, safety and welfare of the community and constituted a blighted area. Councilmember Everett seconded and all voted in favor.
17. CONSIDER ADOPTION OF RESOLUTION NO. 2009-18 AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR THE 2009 TEXAS CAPITAL FUND MAIN STREET PROGRAM - Councilmember Everett made a motion to adopt Resolution No. 2009-18 authorizing the submission of an application for the 2009 Texas Capital Fund Main Street Program. Councilmember Maris seconded and all voted in favor.
18. CONSIDER AWARDDING CONTRACT FOR SANITATION SERVICES – Mr. McCuistion said the staff recommendation was to award the contract to Sanitation Solutions. He said the rates alone would constitute over \$30,000 in savings and the company would be paying Canton \$2000 per month for use of the transfer station. Sanitation Solutions would also sweep the streets four times a year. Consumer rates would have to be increased if the City stayed with its current vendor. Josh Bray explained they have been approved by the state for a permit for a new landfill, but they currently used the Tyler landfill. Mr. McCuistion said it was a five-year contract with an option to renew. Mr. Bray said he brought a letter from his bank that guaranteed he had a \$5 million line of credit. Councilmember Huddle said he was not in favor of changing from a company the City had dealt with twenty years. Councilmember Brockman said they owed it to the rate payers to get the best deal they could. Barney Bray said they would be willing to put up a bond if they had questions about their work. Mr. McCuistion said the current contract ended November 30. Sanitation Solutions would take over December 1. They would have cans set up one week early for commercial customers. The residential schedule would remain the same. Councilmember Huddle expressed concern the brush pickup would not work. Josh Bray said they would work with the City to educate its citizens. Mr. McCuistion said, in checking the references, he had one negative comment from a Grand Saline

councilmember about Sanitation Solutions that had to do with the timing of the street cleanings. He said he would provide them a schedule. Councilmember Maris said there should be a way to get larger limbs picked up. Mr. Bray said he was not opposed to doing brush pickup the way the City currently did, he was just trying to get the City employees off the trash trucks. Mr. McCuistion said if the City could shift these duties over to Sanitation Solutions it could pick up some efficiency by not tying up employees to do brush pickup. Josh Bray said they would also pick up bulk items once a week. Councilmember Brockman said he wanted to require a bond from Sanitation Solutions. Councilmember Nicklas made a motion to award the contract for sanitation services to Sanitation Solutions with the provision that they obtain a bond. Councilmember Brockman seconded and all voted in favor.

19. CONSIDER REQUEST FROM GHOSTRIDERS DRILL TEAM FOR SOLICITOR'S PERMIT TO DISTRIBUTE LIVE STRONG WRIST BANDS AND BROCHURES ON PUBLIC RIGHTS OF WAY – Julie Seymore said another group was already scheduled for October 2 at the same intersection. She suggested approving the request for a different date. Councilmember Nicklas made a motion to grant the request from Ghostriders Drill Team for a solicitor's permit to distribute Live Strong wristbands and brochures on public rights of way for another date to be determined. Councilmember Brockman seconded and all voted in favor.
20. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-28 AMENDING 1985 ZONING ORDINANCE OF THE CITY OF CANTON, TEXAS SECTION 12-12 PERMITTED USES IN GENERAL BUSINESS DISTRICTS (B-2) TO INCLUDE THE SALE OF ALCOHOLIC BEVERAGES BY TABC-PERMITTED ESTABLISHMENTS – After calling a brief recess at 7:15 p.m., Mayor Wilson convened into closed session at 6:52 p.m. for consultation with its attorney. The Council reconvened in open session at 7:03 p.m. with no action taken. The item was tabled to a future meeting.
21. CONSIDER ADOPTION OF ORDINANCE NO. 2009-29 ESTABLISHING BUSINESS REGULATIONS REGARDING THE SALE OF ALCOHOLIC BEVERAGES PURSUANT TO THE TEXAS ALCOHOLIC BEVERAGE CODE (TABC) – Coy Prather explained this ordinance was to establish permit fees if the local option election passed to allow alcohol sales in Precinct 1. It established distances alcohol could be sold from schools, daycares, and churches. Planning & Zoning Commission recommended approval. Councilmember Nicklas made a motion to adopt Ordinance No. 2009-29 establishing business regulations regarding the sale of alcoholic beverages pursuant to the Texas Alcoholic Beverage Code. Councilmember Brockman seconded and all voted in favor.
22. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-30 AMENDING THE CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE ON THE PROPERTY LOCATED BETWEEN GROVES STREET AND COLLEGE STREET ON THE NORTH AND SOUTH AND BETWEEN TRADE DAYS BLVD. AND LITTLE STREET ON THE EAST AND WEST IN THE CITY OF CANTON, TEXAS – Mayor Wilson opened a public hearing at 7:07 p.m. regarding the adoption of Ordinance No. 2009-30 amending the City of Canton 2004 Comprehensive Plan regarding future land use on the property located between Groves Street and College Street on the north and south and between Trade Days Blvd. and Little Street on the east and west in the City of Canton, Texas. There being no comments, the public hearing was closed at 7:07 p.m. The item was tabled for consideration at a future meeting.
23. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-31 EFFECTING A ZONING CHANGE FROM FIRST MONDAY BUSINESS (FMB-1) TO

LOCAL BUSINESS DISTRICT (B-1) FOR ALL PROPERTY LOCATED BETWEEN GROVES STREET AND TERRELL STREET ON THE NORTH AND SOUTH AND BETWEEN TRADE DAYS BLVD. AND LITTLE STREET ON THE EAST AND WEST IN THE CITY OF CANTON, TEXAS – Mayor Wilson opened a public hearing at 7:08 p.m. regarding the adoption of Ordinance No. 2009-31 effecting a zoning change from First Monday Business (FMB-1) to Local Business District (B-1) for all property located between Groves Street and Terrell Street on the north and south and between Trade Days Blvd. and Little Street on the east and west in the City of Canton, Texas. Reagan Sumner asked if this ordinance pertained to alcohol sales. Richard Davis clarified it was about the zoning for the property. There was a brief discussion regarding the fact that an election for Precinct 1 would be held in November which would affect alcohol sales in Canton. There being no further comments, the public hearing was closed at 7:16 p.m. The item was tabled for future consideration.

24. CONSIDER ADOPTION OF RESOLUTION NO. 2009-19 DESIGNATING THE CANTON HERALD AS THE OFFICIAL NEWSPAPER FOR THE CITY OF CANTON – Julie Seymore explained this was an annual housekeeping matter to inform the public which paper was the official one for public notices. Councilmember Everett made a motion to adopt Resolution No. 2009-19 designating the Canton Herald as the official newspaper for the City of Canton. Councilmember Huddle seconded and all voted in favor.
25. CONSIDER ADOPTION OF ORDINANCE NO. 2009-27 REPEALING THE LOCAL SALES AND USE TAX EXEMPTION ON TELECOMMUNICATIONS SERVICES – Julie Seymore explained the Legislature exempted telecommunications from sales and use tax unless an ordinance was passed to retain its current taxable status. Councilmember Maris made a motion to adopt Ordinance No. 2009-27 repealing the local sales and use tax exemption on telecommunications services. Councilmember Brockman seconded and all voted in favor.
26. CITY MANAGER'S REPORT
 - A. FIRST MONDAY – Lonny Cluck said the September First Monday was really a good show. It brought in \$25,000 over last year.
 - B. ETHERIDGE AND MALINDA LANE PROJECT – Mr. Cluck said a problem was found when contractors saw-cut the concrete. The steel had not been placed properly and the original contractor had to come out to make corrections. The project was not complete.
 - C. SEWER LINE PROJECT AT HWYS 19 & 243 – Mr. Cluck said the project was winding down. They had set a manhole behind Mr. D's and tied into a clay line. They had encountered some elevation problems on the project.
 - D. WYNNE ROAD WATER LINE PROJECT – Mr. Cluck explained they were installing of a ten inch water line from FM 859 to Hwy. 19. It was 90% complete and they hoped to have it finished by October 1.
 - E. SOUTHSIDE BOOSTER STATION PROJECT – Councilmember Huddle commented Ray Brumley said in March the project would be finished by September 15 and had not yet been started. Mr. Cluck replied the water line was run from the end of the concrete road to the CEDC property and the building was complete. The water line was tied in on Mill Creek. The equipment was not in the building and electricity had not been run to the building. He added the Athens Street and Church Street and Lisa Circle projects were going out for bid this week. The major project in 2010 was the lock and leave building.
 - F. WASTEWATER TREATMENT PLANT MAINTENANCE – Mr. Cluck indicated the photo of the rotors that were removed. A new shield was installed to keep water off the rotor. They were getting the grit chamber started. The No. 3 clarifier was still

out of service. A gear for it has been ordered.

- G. WATER TREATMENT PLANT VALVE & TROUGH REPLACEMENT PROJECT – Mr. Cluck said the project was 80% complete. New valves were installed all across the back. A new trough was put in for backwash. It should be complete by October 10. Mr. McCuiston said they poured the slab and had motor controllers on the valve already. They were installing a fence now.
- H. WATER TREATMENT PLANT BACKWASH FILTRATION PROJECT – Mr. Cluck presented photos of the water treatment plant backwash filtration plant and the old ponds in the background. They hoped the sludge would dry up in the ponds so they could be cleaned up prior to 2010. Mr. McCuiston added the ponds in the background were filled with cattails and they had to be eliminated after the new pond was built. Mr. Cluck said the pond would be tied into the sewer system and solids would be carried to the sewer plant.

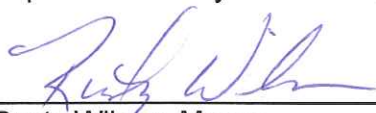
Councilmember Maris agreed the lock and leave building took too long. He asked if we could do a design build in the bid and let the contractor do the design as part of the project rather than pay extra for the engineers to design the project.

- I. WEBSITE – Debra Johnson reminded everyone the new website address was www.cantontx.gov. She said they loaded past minutes onto the website going back to the City's incorporation in 1919. A section also added for the election, and minutes and agendas were being posted on the site.

- 27. ITEMS FOR FUTURE AGENDAS – Mayor Wilson requested the issue of outside vendors coming onto the grounds and trading with current vendors be on the next agenda. Councilmember Maris requested someone look into DSL service with Verizon.

Mercy Rushing entered the meeting at 7:37 p.m.

- 28. ADJOURN - There being no further business to discuss, Mayor Pro Tem Nicklas adjourned the meeting at 7:37 p.m. upon motion by Councilmember Brockman and second by Councilmember Maris.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, OCTOBER 20, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Ross Maris and Clay Nicklas. City Manager Andy McCuiston, Assistant City Manager – Operations Lonny Cluck, and City Secretary/Finance Officer Julie Seymore were also in attendance, as well as Police Chief Mike Echols, Fire Chief Charles Bazhaw, Municipal Court Judge Lilia Durham, CEDC Director Mercy Rushing, City Attorney Richard Davis and First Monday Operations Supervisor Linda Hatfield.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Wilson called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was given by Councilmember Nicklas.
3. PLEDGE OF ALLEGIANCE was led by Mayor Wilson.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST – Mayor Wilson announced Councilmember Huddle would arrive late to the meeting.
5. PROCLAMATIONS AND ANNOUNCEMENTS – Judge Durham introduced the Municipal Clerk and Juvenile Case Manager, Beth Jackson. Mercy Rushing introduced Lynn Kitchens, the new Assistant Canton Economic Development/Main Street Director.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM SEPTEMBER 3, 8, AND 14, 2009, CITY COUNCIL MEETINGS – Upon motion by Councilmember Brockman and second by Councilmember Everett, the minutes of the September 3, 8, and 14, 2009 City Council meetings were unanimously approved.
8. CONSIDER APPROVAL OF SEPTEMBER 2009 FINANCIAL STATEMENTS – Julie Seymore reported September was the end of the fiscal year. There was a cash balance of almost \$3 million. Revenue for the year was \$12.5 million, which was 95.9% of the budget. Property taxes were collected in the amount of \$1.05 million. \$2.1 million was collected in sales tax revenue. Expenditures were at \$13.98 million, which was 93% of the budget. A final report would be presented at the November meeting. Councilmember Maris made a motion to approve the September 2009 financial statements. Councilmember Nicklas seconded and all voted in favor.

9. CONSIDER REQUEST FROM CANTON FIRE DEPARTMENT FOR SOLICITOR'S PERMIT TO COLLECT DONATIONS FOR "CHRISTMAS FOR KIDS" AT DOWNTOWN INTERSECTION ON 12/4/10 AND 12/5/10 – Julie Seymore explained the request was for 2010 dates. Dorothy Miller complained people collecting on the street corner bothered downtown merchants. Ms. Seymore explained the new ordinance limited soliciting to seven First Monday weekends.

Councilmember Huddle arrived at 6:09 p.m.

Ms. Seymore said all groups requesting solicitation permits must have a local tie. Councilmember Nicklas made a motion to approve the request from the Canton Fire Department for a Solicitor's Permit to collect donations for "Christmas for Kids" at the downtown intersection on December 4 and 5 of 2010. Councilmember Brockman seconded and all voted in favor.

10. CONSIDER REQUEST FROM CANTON FIRE DEPARTMENT FOR SOLICITOR'S PERMIT TO COLLECT DONATIONS FOR MDA AT DOWNTOWN INTERSECTION ON 9/4/10 AND 9/5/10 – Chief Bazhaw felt the Muscular Dystrophy Association had local ties. The money was turned in to the Tyler Chapter. Councilmember Brockman made a motion to approve the request from the Canton Fire Department for a Solicitor's Permit to collect donations for MDA at the downtown intersection on September 4 and 5, 2010. Councilmember Nicklas seconded and all voted in favor.
11. CONSIDER REQUEST FROM VAN ZANDT COUNTY HUMANE SOCIETY TO COLLECTION DONATIONS AT DOWNTOWN INTERSECTION ON 2/26/10, 2/27/10, 7/30/10 AND 7/31/10 – Carol Whatley of the Humane Society explained limiting their collection time to four hours would cut down their donations by one-third. She also requested they be allowed a second weekend for collections. 100% of the money collected went to the care of stray, abandoned or abused animals in Van Zandt County. Chris Matthews of the Humane Society said they had adopted out 1430 dogs and 558 cats since 2000. Ms. Whatley requested they be allowed to solicit for six hours. Councilmember Maris said he would like to stick with the requirements of the ordinance. Councilmember Everett made a motion to grant the request from Van Zandt County Humane Society to collect donations at the downtown intersection on February 26 and 27, 2010, and July 30 and 31, 2010, for a four-hour period each date. Councilmember Nicklas seconded and all voted in favor.
12. CONSIDER APPEAL FROM AFIF KARAFI REGARDING REQUEST FOR WATER TAP OUTSIDE CITY LIMITS AT 691 VZCR 4126 – Afif Karafi appealed the decision made by Council denying a water tap at his residence at 691 VZCR 4126. He said the city had a meter two feet away from his property. He had no good source of water to his house since the well did not produce drinkable water. His wife resided at the home and he was stationed at Fort Hood. His wife had diabetes and needed good water to the house. He signed the agreement that he would come into the city when the property was eligible for annexation. Mr. Karafi said he was on active duty in the military and stayed at the house when on leave. Mrs. Karafi confirmed she lived at the house and worked at WalMart. Councilmember Brockman said he hated to deny someone in the military a water tap. He made the motion to grant the request from Afif Karafi for a water tap outside the city limits at 691 VZCR 4126, and that all future requests be handled by the City Manager. In the event the City Manager denied the request, the matter could be brought to Council. Councilmember Huddle seconded and all voted in favor.

13. **CONSIDER TWO-HOUR PARKING RESTRICTIONS DOWNTOWN** – Mercy Rushing explained the survey she distributed to downtown vendors about the parking restrictions. She said seven businesses were in favor of keeping the restrictions and fifteen wanted them removed. Diane Saxton suggested painting "Customer Parking Only" in front of the businesses. Councilmember Brockman suggested the two-hour parking stand and if the person brought in a receipt showing they had shopped downtown the ticket would be waived. An alternative would be for the stores to validate the ticket. Councilmember Everett said she would be in favor of stenciling on the steps in front of the stores. Councilmember Huddle asked why shoppers could not park on the side streets where there were no restrictions. Rona Watson suggested the city parking lot. Mayor Wilson said the City did not need to find ways to make it difficult for customers to shop in Canton. They should make it easier. Judge Durham said the ordinance would have to be changed in order for the validation to work. The ticket could not be dismissed otherwise. Mayor Wilson felt most of the people who came to shop downtown did not live in Canton. It was an inconvenience to handle a ticket through the mail. Rona Watson said they received numerous calls that Canton was not a tourist friendly town. She felt the City should be more welcoming to visitors. Darwin Hall cautioned that shopkeepers should not tell people they could not park on the square. An argument could ensue if someone did not want to move their car. Dorothy Miller said the two-hour parking had never worked and would not work now. She said the signs had no arrows indicating it was for more than one spot. Mr. McCuiston said when this matter came to Council previously Chief Echols had warned it had not worked in the past. Now he was learning the shop owners did not want the restriction. He felt putting customer parking on the steps might be the best solution. Mayor Wilson said he did not like the idea of a shopkeeper confronting someone who parked in front of their store, but he felt that was a good solution. Councilmember Nicklas said the ordinance had not been in effect for a year. He used the courthouse frequently and often had to circle thirty minutes to find a parking place. Councilmember Maris said there were people who came to town for business at the courthouse. Councilmember Nicklas said he favored a validation system. Councilmember Everett said she was for customer only parking on the far side of the square. Kay Murphree said she had an opinion about the City spending money for signs and then not using them after taking three meetings to decide on the ordinance. Councilmember Huddle made a motion to leave the ordinance as it was. Councilmember Maris said he felt they needed more points of view before changing the ordinance. Councilmember Nicklas seconded. Councilmembers Huddle, Maris and Nicklas voted in favor and Councilmember Everett and Brockman voted against. Councilmember Maris said more signs needed to be placed on the square to make it clear there was two-hour parking. Chief Echols said with the manpower it took, the fines received did not cover the Police Department's expense. He said most people ticketed were attorneys. He did not feel the fine should be lowered.

14. **CONSIDER AWARDED BID FOR ATHENS STREET SEWER LINE PROJECT** – Gary Burton said they received fourteen bids ranging from \$91,000 to \$368,000. The low bidder was Sperling Construction. He got positive references from all but one competitor. He recommended the contract be awarded to Sperling Construction for \$91,093. He said they would watch the contractor to make sure he paid his bills timely. Their estimated cost for the project had been \$113,000. Councilmember Maris made a motion to award the bid for the Athens Street sewer line project to the low bidder, Sperling Construction. Councilmember Brockman seconded and all voted in favor.

15. **CONSIDER ACCEPTANCE OF VOLUNTARY PETITION FOR ANNEXATION OF 17.967 ACRE-TRACT SITUATED IN J. DOUTHIT SURVEY, A-198, LOCATED ON HWY 19 SOUTH, CANTON, TEXAS OWNED BY J.W. BURNETT FAMILY TRUST** – Julie Seymore said the property was located on the north side of the easement to the sixty

acres owned by CEDC. If Council accepted the petition, two public hearings would be required and a final vote would be taken in December. Water and sewer were already along the easement and the property was adjacent to City property. Councilmember Everett made a motion to accept the voluntary petition for annexation of the 17.967- acre tract situated in the J. Douthit Survey, A-198, located on Hwy. 19 South, Canton, Texas, owned by the J.W. Burnett Family Trust, and to schedule the public hearings for November 17, 2009, at 6:00 p.m. and November 19, 2009, at 6:00 p.m., with the final vote to be taken on December 15, 2009 at 6:00 p.m. Upon a second by Councilmember Huddle, all voted in favor.

16. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-30 EFFECTING A ZONING CHANGE FROM FIRST MONDAY BUSINESS (FMB) TO GENERAL BUSINESS DISTRICT (B-2) ON LARGE LOT 29, ORIGINAL TOWN, LOCATED AT 170 N. TRADE DAYS BLVD., CANTON, TEXAS, CURRENTLY OWNED BY SUMNER ONE PROPERTIES LTD – Coy Prather said the request was for Mr. D's only. He said this was a convenience store which sold gasoline and really should be B-2 and not FMB zoning. Mayor Wilson opened a public hearing at 7:00 p.m. There was a brief discussion regarding whether or not the local option election for Precinct 1 would be affected by the zoning change. The public hearing was closed at 7:03 p.m. Councilmember Brockman made a motion to adopt Ordinance No. 2009-30 effecting a zoning change from First Monday Business (FMB) to General Business District (B-2) at Mr. D's only, located on Large Lot 29, Original Town, at 170 N. Trade Days Blvd., Canton, Texas, currently owned by Sumner One Properties, Ltd. Councilmember Everett seconded and all voted in favor.
17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-31 GRANTING A SPECIFIC USE PERMIT FOR ASSISTED LIVING FACILITY AT 575 W. HWY 243, CANTON, TEXAS, CURRENTLY OWNED BY EAST TEXAS MENTAL HEALTH – Coy Prather explained B-1 zoning allowed for a specific use permit for an assisted living facility. Debbie Flowe from the Andrews Center said they planned to build one residential home to house ten mildly to moderately mentally retarded men. Mayor Wilson opened a public hearing at 7:04 p.m. Debbie Flowe confirmed there would be ten residents. The residents would be moved from their current building on Short Street. The current home would be sold. The public hearing was closed at 7:05 p.m. Councilmember Everett made a motion to adopt Ordinance No. 2009-31 granting a specific use permit for an assisted living facility at 575 W. Hwy. 243, Canton, Texas, currently owned by East Texas Mental Health with the provision that a living screen be installed between the property and the adjoining residences. Councilmember Brockman seconded and all voted in favor.
18. CONSIDER ADOPTION OF ORDINANCE NO. 2009-32 REGULATING THE CONSTRUCTION AND USE OF SIGNS WITHIN THE CITY LIMITS AND IN EXTRATERRITORIAL JURISDICTION OF THE CITY – Coy Prather reviewed the new sign ordinance. The new ordinance provided for billboards only within 660 feet of I-20. In order to construct a new billboard, the owner would have to remove two current billboards. He suggested as an alternative that replacement billboards could be allowed throughout the city and not just limited to the I-20 corridor. Pole signs would be limited to business or industrial zoning. The wall sign size would be increased to 48". He suggested a system for regulating the number of garage sale signs allowed to a maximum of two on premise and three off premise with permission of the property owner. The City could charge for and issue the signs with the permit number. Owners could maintain nonconforming existing billboards in the proposed ordinance. Mr. Prather said the available spaces along I-20 were limited. There was a discussion regarding garage sale signs and how

many should be allowed. Mr. Prather said the signs were not allowed in the State's right-of-way. Mr. Prather said the new ordinance did not provide for the Board of Adjustment to hear requests for a variance on nonconforming use issues. Mr. McCuistion said he felt it was a good option to allow some of the signs in town but to begin decreasing the number. Councilmember Huddle made a motion to adopt Ordinance No. 2009-32 regulating the construction and use of signs within the city limits and in the extraterritorial jurisdiction of the city as is. With no second, the motion did not pass. Mr. Prather stated again signs could not be placed in the State's right-of-way. It violated both state and city ordinances. John Hamm encouraged Council to consider a sticker method for distributing garage sale signs. Councilmember Nicklas made a motion to table the issue to allow further review of the ordinance and the garage sale sign matter. Councilmember Brockman seconded and all but Councilmember Huddle voted in favor of tabling the matter.

Mayor Wilson called a recess at 7:39 p.m.

19. CONSIDER ADOPTION OF RESOLUTION NO. 2009-21 AUTHORIZING PURSUIT OF ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) AVAILABLE THROUGH AMERICAN RECOVERY AND REINVESTMENT ACT – Mayor Wilson reconvened the meeting at 7:47 p.m. Mr. McCuistion explained Canton was eligible for \$20,000 to be used for energy conservation projects. He would like to use the funds for lighting at the Trade Centers and the Civic Center. Several cities have declined the grant due to the many requirements. Councilmember Brockman made a motion to adopt Resolution No. 2009-21 authorizing the pursuit of the Energy Efficiency and Conservation Block Grant (EECBG) available through the American Recovery and Reinvestment Act. Councilmember Maris seconded and all voted in favor.
20. FINAL PUBLIC HEARING FOR APPROVED TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT (TX CDBG) CONTRACT NO. 726222 – Julie Seymore said the public hearing was a final opportunity for citizens to offer their opinions regarding the project. Mayor Wilson opened a public hearing on the approved Texas Community Development Block Grant (TX CDBG) Contract No. 726222 at 7:51 p.m. Ron Perkins asked how the money had been utilized. Mr. McCuistion explained it was used on the FM 859 water line. Julie Seymore said the project received \$374,000 from the grant and CEDC provided the match. The project cost less than anticipated. Mayor Wilson closed the public hearing at 7:53 p.m. Julie Seymore announced another hearing would be held at 5:15 p.m. on Tuesday, October 27, 2009.
21. CONSIDER ADOPTION OF RESOLUTION NO. 2009-22 APPROVING 2009 TAX ROLL – Ms. Seymore said Council was required to approve the official tax levy annually. This year the tax roll was \$1,129,379.67, which closely matched the budget. Councilmember Nicklas made a motion to adopt Resolution No. 2009-22 approving the 2009 tax roll. Councilmember Brockman seconded and all voted in favor.
22. CONSIDER ADOPTION OF ORDINANCE NO. 2009-33 AUTHORIZING EXECUTION AND DELIVERY OF PUBLIC PROPERTY FINANCE ACT CONTRACT FOR ACQUISITION OF FIRETRUCK, LEVYING A TAX AND PROVIDING FOR PAYMENT AND SECURITY THEREOF, AND ENACTING OTHER PROVISIONS RELATED THERETO – Ms. Seymore mentioned Council previously adopted a resolution approving a \$380,000 loan for a 10-year period. The bond council recommended adoption of an ordinance to levy the tax. When taxes were calculated to cover debt in the future, this loan would be included. Councilmember Everett made a motion to adopt Ordinance No. 2009-33 authorizing the execution and delivery of the Public Property Finance Act contract for acquisition of a fire truck, levying a tax and providing for payment and security

thereof, and enacting other provisions related thereto. Councilmember Maris seconded and all voted in favor.

23. **CONSIDER AMENDMENT TO LOCK AND LEAVE CONSTRUCTION CONTRACT** – Mr. McCuiston explained Johnny Brown's recommendation was to install a concrete rather than a wood floor. He was willing to reduce his contract fee and do the concrete floor for \$10,000 rather than \$19,000. The City saved \$10,000 by not requiring the additional liability insurance and that money could be used for the floor. Gary Burton said Mr. Brown had workers comp insurance and he would obtain the insurance certificate. He said the extra ramp they wanted to add would cost more than the estimated \$10,000, so they would have a ramp on the front of the building and stairs in the back. Mr. McCuiston explained vendors would sign a one-year lease and would be required to provide the additional electrical and interior walls. He said staff recommended having concrete rather than wood floors. Councilmember Brockman made a motion to amend the lock and leave construction contract to include concrete floors for \$10,000. Councilmember Everett seconded and all voted in favor.
24. **CONSIDER ADOPTION OF RESOLUTION AUTHORIZING FINANCING FOR CONSTRUCTION OF FIRST MONDAY LOCK AND LEAVE BUILDING** – Julie Seymore said the budget included the seven year loan. The American National Bank offered 6.31% interest, which was the best proposal. Councilmember Maris made a motion to adopt the resolution authorizing financing for construction of the First Monday Lock and Leave Building. Councilmember Brockman seconded and all voted in favor.
25. **CONSIDER POLICY REGARDING BOOTH TO BOOTH SALES AT FIRST MONDAY TRADE DAYS** – Mayor Wilson said he had no issue with outside vendors selling to vendors on the First Monday grounds. He felt the City should not make it difficult for people to do business on the grounds. Councilmember Huddle agreed. Councilmember Brockman expressed the feeling that the staff should be allowed to run the grounds unless a problem arose. Mr. McCuiston explained a person was observed going from booth to booth selling to vendors. This person had already been told not to sell to customers in vendors' booths. Councilmember Brockman again stated staff should be allowed to run the First Monday grounds. Councilmember Huddle said we should be more vendor friendly. Mr. McCuiston felt if an individual had a whole case of products to sell to many people, they should have to pay for a lot. Linda Hatfield said the ice people rented four or five spaces from the City. Councilmember Maris said First Monday had a potential to make more money from tent rental. Councilmember Brockman said staff should handle complaints. Council should back the staff or let them go. Councilmember Nicklas said the recommendation of the First Monday Committee was to let the staff handle these matters. Mr. McCuiston said the gentleman in question was selling watches to vendors and individuals. Vendors generally bought and sold before or after the market, not during. He said they had no problem with the vendors unless they have not paid lot rent. Mayor Wilson felt there were times the City was not customer friendly at First Monday. Vic Wetherholt said he was asked to leave the grounds when he was going to various vendors about his website. Mr. McCuiston said Mr. Wetherholt was previously asked three times to not bother vendors on the grounds. Mayor Wilson said the City should be in favor of anything that could help the market. Mr. McCuiston added the tent and table vendors also rented spaces from the City. He said the ice people delivered ice to those who called and requested delivery. Ms. Hatfield said vendors traded among each other all the time. She felt others should not be allowed with a truckload and a case to go from vendor to vendor. Vendors were not allowed to hawk on the grounds. They stayed in their booths and sold to customers who came to them. Mayor Wilson said we should manage, not control, vendors at First Monday. Mayor Wilson said Council would allow

staff to manage the vendors the way they saw fit and anything that could not be resolved could come back to them. He instructed Ms. Hatfield for staff to get to know the vendors as customers and to spend time talking to them. City staff needed to let them know they were glad they were here. Councilmember Everett said the Canton Herald came and sold ads to vendors on the grounds. Councilmember Nicklas said the First Monday Committee developed an idea for a solicitors permit for advertisers and other similar individuals. Councilmember Maris suggested guidelines on the permits. He suggested the staff develop the solicitor guidelines for media to solicit to the vendors. Councilmember Brockman warned they were opening up a big can of worms. Mr. McCuiston said he would have the guidelines at the next Council meeting. Mayor Wilson indicated there would be no action taken at this time.

26. CONSIDER APPOINTMENTS TO MAIN STREET BOARD – Mercy Rushing requested Dr. Rollin Sininger, Donna Rakestraw and Debbie Beasley be reappointed to the Board. She also requested appointment of Marge Wiley, Monteen Bullard and Don Bullard to fill three vacancies created by resignations. Ms. Rushing asked for the appointment of Terri Pruitt to a newly-created position. Councilmember Maris so moved. Councilmember Everett seconded and all voted in favor.

27. CITY MANAGER'S REPORT

- A. ENGINEERING REQUIREMENTS - Mr. McCuiston reported he received information from the Texas Engineering Society that all city projects required engineer involvement if they involved electrical projects over \$8000. He said, according to the Local Government Code, if the county population was less than 250,000, the City had no choice about an engineer's involvement. Councilmember Maris asked if an engineer could be used to review plans done by contractors rather than preparing the design plans. Mr. Burton confirmed that would be legal. He said for metal buildings, the contractor did not typically design the foundation or electrical. He said on metal buildings they typically gave the contractor the dimensions, locations, live and dead load requirements, etc. Mr. McCuiston said because First Monday was in a floodplain the City had to obtain no-rise certificates. The foundation was not part of the metal building designer's plans. Mr. Burton said they often performed tasks that could be done by city staff. Mr. McCuiston said Coy Prather would perform inspections on the lock and leave building to save expenses. Ray Brumley would supervise when the core was started. Mr. Burton said his company's specialty was civil engineering, water and wastewater. They have designed a number of buildings as far as the foundation and the overall site plan. Mr. Burton said his fees were based on the amount of time spent at their hourly rate. Mr. McCuiston said the City could not do anything about the no-rise certificate. Mr. Burton said they charged \$12,000 to oversee construction but that money was used to prepare the rebid. The estimated \$38,000 had already been used. Councilmember Maris said he felt the designs had a lot of fluff included that was not necessary, such as adding fill underneath the building. Mr. Burton said that was included because they wanted the drainage structures out from under the building for maintenance purposes but decided it was not necessary. Councilmember Maris stated it was hard for a City to compete with private enterprise due to all the requirements that must be met. Mr. McCuiston said he was looking into having a tiered rate for building vendors: \$1.50 per s.f. for prime spots, \$1.25 per s.f. for spots facing the outside and \$1.00 per s.f. for inside vendors. There would be approximately 28 spaces in the building. Spaces would be approximately 10' or 11'x20'. They expected vendors to rent multiple spaces. Mr. McCuiston said the pavilions rented for 75 cents per square foot.

- B. FINES AND WARRANTS – Judge Durham reported 54 warrants were issued last month. 28 were cleared. They collected over \$5000 on warrants.
- C. UTILITY BILLING CHANGES – Mr. McCuistion said letters had been sent to water customers about the new rates and the two-cycle billing. Julie Seymore added the letter explained the ambulance fee and reminded everyone to vote.
- D. 2009 NOVEMBER SALES TAX ELECTION – Julie Seymore said early voting had begun at City Hall for the 4B sales tax election for the water well and water tower. Election day was November 3 and she encouraged everyone to vote. Julie Vaughn would be writing an article for the newspaper explaining the issue.
- E. FIRST MONDAY DOG SHOW – Linda Hatfield reported the dog show used to be held in the Civic Center but was later moved to Arbor 3. This was the first year the show was co-oped with Henry Lewis. The City did the RV rental on its property as well as the Trade Center rental and electric charge. The City had one employee pick up trash there and at the quilt show. It also made available two golf carts. Mr. Lewis picked up the trash on his property. Best Western had recognized the positive influence the dog show had on its business with over \$10,000 in room receipts. Comfort Suites said it rented 60 rooms during the event. Mr. Lewis was unsure whether he wanted to continue handling the shows. If he chose not to, the event could be moved to the Trade Centers. She said more RV spaces were usually booked, but bad weather probably caused people to stay at hotels instead. The dog show always drew in a lot of people. The Civic Center had 450 RV's there this week for an RV rally.

EXECUTIVE SESSION\

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

- 28. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – After calling a brief recess at 8:50 p.m., Mayor Wilson convened in closed session at 8:53 p.m. for consultation regarding the potential purchase, lease or sale of real property.

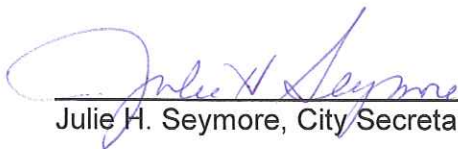
RETURN TO OPEN SESSION

- 29. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 9:29 p.m. with no action taken.
- 30. ITEMS FOR FUTURE AGENDAS – Julie Seymore stated the next agenda would include the media solicitor permit for First Monday, the sign ordinance and the executive session items. Mr. McCuistion requested the issuance of a second opinion from the engineers on the lake also be added. Mercy Rushing reported a successful Autumn Stroll. She said expenses were cut in half by holding the event at the Civic Center.
- 31. ADJOURN - There being no further business to discuss, Mayor Wilson adjourned the meeting at 9:34 p.m. upon motion by Councilmember Brockman and second by Councilmember Nicklas.



Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

**CALLED MEETING OF THE CANTON CITY COUNCIL
4:30 P.M., TUESDAY, NOVEMBER 10, 2009**

City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103


MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Rusty Wilson, Robert Brockman, Lou Ann Everett, Charles Huddle, Clay Nicklas, and Ross Maris. City Manager Andy McCuiston and City Secretary/Finance Officer Julie Seymore were also in attendance.

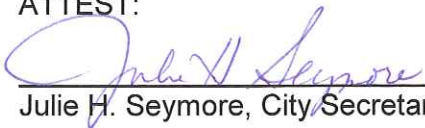
Discussion and action were as follows:

1. CALL TO ORDER – Mayor Rusty Wilson called the meeting to order at 4:30 p.m. and declared a quorum present.
2. OFFICIAL CANVASS OF NOVEMBER 3, 2009 SPECIAL ELECTION RETURNS – Mayor Wilson canvassed the following returns:

Proposition 1:	FOR	159 votes (42 Early Voting, 117 Election Day)
	AGAINST	104 votes (35 Early Voting, 69 Election Day)
Voters:		236 total (77 Early Voting, 186 Election Day)
3. CONSIDER ADOPTION OF RESOLUTION DECLARING RESULTS OF NOVEMBER 3, 2009 SPECIAL ELECTION – Resolution No. 2009-23 declared the voters in the November 3, 2009 Special Election approved Proposition 1 FOR The use of Type B sales tax proceeds for infrastructure relating to water supply facilities, including the construction of a water well and water tower. The resolution was unanimously adopted upon motion by Robert Brockman and second by Clay Nicklas.
4. ADJOURN – There being no further business to discuss, the meeting was adjourned at 4:32 p.m. upon motion by Clay Nicklas and second by Robert Brockman.


Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

**REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, NOVEMBER 17, 2009**

City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Clay Nicklas, Lou Ann Everett, Charles Huddle and Ross Maris. Mayor Rusty Wilson and Councilmember Robert Brockman were absent. City Manager Andy McCuiston, Assistant City Manager—Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, City Attorney Richard Davis, Municipal Judge Lilia Durham, Police Chief Mike Echols, Fire Chief Charles Bazhaw and CEDC Director Mercy Rushing were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Pro Tem Clay Nicklas declared a quorum present and called the meeting to order at 6:02 p.m.
2. INVOCATION was led by Charles Bazhaw.
3. PLEDGE OF ALLEGIANCE was led by Mayor Pro Tem Clay Nicklas.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS – Julie Seymore introduced Assistant City Secretary Debra Johnson as part of an effort to familiarize Council with staff members.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA - Reba Thompson, Sides Circle, expressed her opinion that garage sale signs should not be regulated. Rona Watson from the Chamber of Commerce announced the Festival of Trees would be held November 21 through December 12, and the Christmas Parade and Christmas Ball would be held at the Civic Center on December 12, 2009. Lucille Lewis agreed that garage sale signs should not be included in the new sign ordinance. Jim Fuller, 1755 Desert Willow, stated the impact fees were no longer of use and prevented the City from bringing new businesses to the community. He suggested a moratorium on the fees until the City wanted to reduce the amount of businesses coming to town. Ed Sanders, 1430 Forrest Drive, said there was still a traffic problem on Forrest Drive. He suggested a sign which indicated the car's speed be erected to slow down traffic and a camera be erected to help issue citations to violators. Ethel Sanders, 1430 Forrest Drive, expressed her concern about the proposed regulations for garage sale signs.

INDIVIDUAL CONSIDERATION

7. CONSIDER APPROVAL OF MINUTES FROM OCTOBER 20, 2009, CITY COUNCIL Meeting – Upon motion by Councilmember Maris and second by Councilmember Everett, the minutes from the October 20, 2009, meeting were unanimously approved.
8. CONSIDER APPROVAL OF OCTOBER 2009 FINANCIAL STATEMENTS – Julie Seymore reported the cash balance at the end of October was \$2,969,850. Three short term loans were paid off in the amount of \$72,000. Total debt was currently \$6,346,000. Revenues to date were \$996,641. Expenditures to date were \$1,035,686. The October 2009 financial statements were unanimously approved upon motion by Councilmember Everett and second by Councilmember Huddle.

9. **CONSIDER ALL MATTERS RELATING TO IMPACT FEES, INCLUDING REQUEST FROM CEDC AND LOCAL REALTORS TO RE-EXAMINE IMPACT FEES AND APPOINTMENT OF AN IMPACT FEE COMMITTEE** – Mr. McCuiston said Council received information from CEDC regarding its position. Councilmember Maris, also a member of the CEDC, said it had encountered problems bringing in businesses due to the impact fees. Businesses tended to go to other cities which did not have them. They have had a presentation from a potential nursing home but the impact fees were standing in the way of them pursuing the project. Councilmember Maris made a motion to discontinue the impact fees at this time. Councilmember Huddle seconded. Mr. McCuiston said the staff also recommended the discontinuation of the fees. All voted in favor of discontinuing the fees. Mr. McCuiston said some impact fees had been collected in the past. A study was due in 2011, a committee should be in place, and a restricted account should be designated. Staff recommended the appointment of the Planning & Zoning Commission as the Impact Fee Committee. Councilmember Maris made a motion to appoint the Planning & Zoning Committee as the Impact Fee Committee. The motion was seconded by Councilmember Huddle and all voted in favor.

10. **CONSIDER ALL MATTERS RELATING TO EXISTING CITY WATER RESOURCES** – Gary Burton presented a cross section of the current dam and spillway and indicated the emergency spillway line was at 502.1 feet. That would be the level the water would rise in a major flood. He did not believe water had ever reached that level. The principal spillway was at 492.6 feet. The top of the dam elevation was 511 feet. The original volume was 2,250 acre feet. An acre-foot equals one acre, one foot deep. Raising the level would increase yield approximately 50 foot per year for every one foot. The issue with raising the normal pool elevation would be liability for downstream flooding if the dam and spillway were not also raised. If the dam and spillway were raised, the area needed for maximum flood area would be extended. That may not be possible because of homes in the area. Additional costs would be required. It would also be limited by the existing permit. Mr. Burton added if the dam and spillway were raised, the City would have to buy more land. Mr. McCuiston explained Mr. Burton had been asked to explore other options than constructing a new lake as a result of questions raised by citizens. Mr. Burton said the amount of volume attained by increasing the height of the dam would not be known until it was determined how much silt was at the bottom of the lake. Mr. McCuiston said Region D would require the City to designate a site for a new lake before they could be accepted into the future water plan. There was a brief discussion about the necessity and cost of a new water well.

11. **FIRST PUBLIC HEARING ON PETITION FOR VOLUNTARY ANNEXATION OF 17.967-ACRE TRACT SITUATED IN J. DOUTHIT SURVEY, A-198, LOCATED ON HWY 19 SOUTH, CANTON, TEXAS, OWNED BY J.W. BURNETT FAMILY TRUST**- Ms. Seymore indicated the location of the property. She stated another public hearing would be held November 19, 2009, at 6:00 p.m. The annexation would be voted on December 15, 2009, at 6:00 p.m. At 7:02 p.m., Mayor Pro Tem Nicklas opened a public hearing on the petition for voluntary annexation of a 17.967-acre tract situated in the J. Douthit Survey, A-1098, located on Highway 19 South, owned by the J.W. Burnett Family Trust. There being no comments, the public hearing closed at 7:02 p.m.

12. **PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2009-34 AMENDING 1985 ZONING ORDINANCE OF THE CITY OF CANTON, TEXAS, SECTION 12-12 PERMITTED USES IN GENERAL BUSINESS DISTRICTS (B-2) TO INCLUDE TABC-PERMITTED BUSINESSES THAT DERIVE 75% OR MORE OF GROSS REVENUES FROM THE ON-PREMISE SALE OF ALCOHOLIC BEVERAGES** – Mr. McCuiston said Items 12 and 13 were related to the recent alcohol elections. Even

though the propositions failed, he recommended the Council put the regulations in place should they be needed in the future. Ms. Seymore explained a bar could be restricted to B-2 zoning. Other alcohol sales could not be limited to zoning. Mayor Pro Tem Nicklas opened a public hearing at 7:04 p.m. regarding the adoption of Ordinance No. 2009-34 amending the 1985 Zoning Ordinance of the City of Canton, Section 12-12, regarding permitted uses in the General Business District (B-2) to include TABC-permitted businesses that derive 75% or more of gross revenues from the on-premise sale of alcoholic beverages. When asked about other regulations, Ms. Seymore advised the next ordinance under consideration dealt with the distances from schools for the sale of alcoholic beverages. She said B-1 was stricter zoning than B-2. The public hearing was closed at 7:07 p.m. Councilmember Everett made a motion to adopt Ordinance No. 2009-34 amending the 1985 Zoning Ordinance of the City of Canton, Texas, Section 12-12, regarding the permitted uses in General Business District (B-2) to include TABC-permitted businesses that derive 75% or more of gross revenues from the on-premise sale of alcoholic beverages. Councilmember Maris seconded and all voted in favor.

13. CONSIDER ADOPTION OF ORDINANCE NO. 2009-35 AMENDING ORDINANCE NO. 2009-29 ESTABLISHING BUSINESS REGULATIONS REGARDING THE SALE OF ALCOHOLIC BEVERAGES PURSUANT TO THE TEXAS ALCOHOLIC BEVERAGE CODE (TABC) – Ms. Seymore said an attorney with Lloyd Gosselink suggested the marked changes in the existing ordinance to comply with legal definitions. She said Mr. Davis advised Council could also restrict open containers in the downtown district, but that was not included in the proposed ordinance. Councilmember Huddle made a motion to adopt Ordinance No. 2009-35 amending Ordinance No. 2009-29 establishing business regulations regarding the sale of alcoholic beverages pursuant to the Texas Alcoholic Beverage Code (TABC). Councilmember Everett seconded and all voted in favor.
14. CONSIDER ADOPTION OF ORDINANCE NO. 2009-36 AMENDING THE CITY OF CANTON 2004 COMPREHENSIVE PLAN REGARDING FUTURE LAND USE ON THE PROPERTY LOCATED BETWEEN GROVES STREET AND COLLEGE STREET ON THE NORTH AND SOUTH AND BETWEEN TRADE DAYS BLVD. AND LITTLE STREET ON THE EAST AND WEST IN THE CITY OF CANTON, TEXAS – Mr. McCuiston said the area was outside the First Monday main gate area. Coy Prather said the property was currently zoned First Monday Business but, over the years, it seemed small businesses might be more suitable in that area in the future. Ms. Seymore said City staff had initially recommended the change be all the way south to College Street. The Planning & Zoning Commission felt that area was too broad and recommended the change only to Terrell Street. Councilmember Maris made a motion to adopt Ordinance No. 2009-36 amending the City of Canton 2004 Comprehensive Plan regarding the future land use on the property located between Groves Street and College Street on the north and South and between Trade Days Blvd and Little Street on the East and West with the change that Terrell Street be substituted for College Street on the south. Councilmember Everett seconded and all voted in favor.
15. CONSIDER ADOPTION OF ORDINANCE NO. 2009-37 EFFECTING A ZONING CHANGE FROM FIRST MONDAY BUSINESS (FMB-1) TO LOCAL BUSINESS DISTRICT (B-1) FOR ALL PROPERTY LOCATED BETWEEN GROVES STREET AND TERRELL STREET ON THE NORTH AND SOUTH AND BETWEEN TRADE DAYS BLVD. AND LITTLE STREET ON THE EAST AND WEST IN THE CITY OF CANTON, TEXAS – Mr. Prather indicated the Planning & Zoning Commission recommended the zoning change. Councilmember Everett made a motion to adopt Ordinance No. 2009-37 effecting a zoning change from First Monday Business (FMB-1) to Local Business District (B-1) for all property located between Groves Street and Terrell Street on the north and

south and between Trade Days Blvd. and Little Street on the east and west in the City of Canton. Councilmember Maris seconded and all voted in favor.

16. CONSIDER ADOPTION OF ORDINANCE NO. 2009-32 REGULATING THE CONSTRUCTION AND USE OF SIGNS WITHIN THE CANTON CITY LIMITS AND ITS EXTRATERRITORIAL JURISDICTION – Mr. Prather said no changes had been made to the proposed ordinance. Mr. McCuiston said on the billboards the two for one did not apply to the downtown area as it was written. There were two separate areas, the I-20 corridor and the downtown area. If the Council desired, the ordinance could be amended to allow each area to stand alone and the two for one could be applied in one section or the other. Mr. Prather said the size of the signs would have to be equal in order to apply in the two for one program. Mr. Prather said various cities in the state were endeavoring to eliminate billboards within city limits. Regarding garage sale signs, Mr. Prather proposed orange for the garage sale signs. He felt they were a good alternative for the garage sale signs. Cost of signs was \$2.25. He suggested a sticker could go over the permit number so the signs could be reused. Mr. Prather said traffic safety problems arose from the signs being out. Mr. Davis said he did not believe the ordinance could require the signs be purchased from the City only. They could purchase the same signs from another vendor. Councilmember Maris made a motion to adopt Ordinance No. 2009-32 regulating the construction and use of signs within the Canton City Limits and its extraterritorial jurisdiction with the changes as follows: garage sale signs would be purchased from the City using orange signs for garage sales and green signs for estate sales, one sign would be issued with the permit and up to ten additional signs could be purchased, the name of the sale holder did not have to appear on the sign, and signs could be reused with stickers showing the permit number to be affixed to the signs. The billboard section was fine as written. Councilmember Huddle seconded and all voted in favor.
17. CONSIDER ADOPTION OF FIRST MONDAY MEDIA POLICY – Mr. McCuiston said staff's recommendation identified two types of media: 1) sales media who went from booth to booth trying to sell ads and 2) marketing media on the grounds to develop stories for TV or magazines that would benefit the market but who were not trying to sell anything. The fee would be \$150 per month. They wanted to identify folks had sales tax ID numbers to make sure they filed sales tax reports and designated Canton as the location of sales. They had to follow the rest of the First Monday guidelines with the exception sales media could sell booth to booth, must wear a visible badge, and, if they had complaints, they should desist and could lose their right to sell on the grounds. No one else was allowed to go booth to booth per the policies. Mr. Cluck expressed concern about someone issuing information about First Monday that was inaccurate. He also had concerns about vendors selling from websites and not continuing as vendors on the grounds. Councilmember Everett made a motion that sales and market media vendors register with the Chamber of Commerce, obtain an identification tag after verification of Chamber membership, and be allowed to go onto the grounds to sell with no fee. The Chamber of Commerce would be responsible for coordinating with the Log Cabin regarding the name tags. Media not joining the chamber could register with the log cabin for a fee of \$150 per month. Councilmember Huddle seconded and all voted in favor.
18. CONSIDER ADOPTION OF RESOLUTION NO. 2009-24 DECLARING VOTES FOR THE VAN ZANDT COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS ELECTION – Julie Seymore said Canton had 131 votes. Nominees were Kenneth Pruitt, Ron Carroll, W.A. Daniels, Bobby Mayfield, and Ed Bailey. Kenneth Pruitt was the only Canton resident. Nominees had to have 1,000 votes to be elected. Councilmember Maris made a motion to adopt Resolution No. 2009-24 declaring all votes for the Van Zandt County

Appraisal District Board of Directors election for Kenneth Pruitt. Councilmember Everett seconded and all voted in favor.

19. **CONSIDER AWARDING BID FOR WYNNE ROAD NORTH SANITARY SEWER LINE PROJECT** – Ray Brumley of Gary Burton Engineering said he recommended awarding the contract to the low bidder, Capps-Capco Construction, in the amount of \$52,369.40. \$60,000 had been budgeted for the project. Councilmember Maris made a motion to award the bid for the Wynne Road North Sanitary Sewer Line project to Capps-Capco Construction. Councilmember Everett seconded and all voted in favor.
20. **CONSIDER FUTURE FACILITIES FOR GENEALOGY LIBRARY** – Mr. McCuistion said he had spoken with Rollin Sininger about expanding the current library for a genealogy room. The County was willing to provide funds. He wanted to know if Council wanted to pursue the matter. He felt the front of the building would be the best place to expand. Approximately 1,500 square feet would be needed. Councilmember Maris said he would like to investigate expanding on the north side. Kay Murphree requested the Genealogy Board be consulted regarding the changes. She said they would like a separate entrance. Mr. McCuistion said there would be a separate sidewalk to the genealogy room because they had different hours than the library. Council directed Mr. McCuistion to obtain cost estimates for the project.
21. **CITY MANAGER'S REPORT**
 - A. **FINES AND WARRANTS** – Judge Durham said the court issued 20 warrants. They collected \$2,712.27 on the warrants, all of which were within thirty days.
 - B. **EMERGENCY SERVICES DISTRICT** – Chief Bazhaw reported they were approached by ESD 2 about being annexed into its district. After consideration, it was decided the City would not participate. Mr. McCuistion said as of December 31, 2009, the City would discontinue service into the county. Chief Bazhaw said the new fire engine would be delivered Monday and hopefully be in service by the end of the year.
 - C. **PUBLIC WORKS PROJECTS** – Gary Burton reported problems were encountered when digging the piers for the lock and leave building on the First Monday grounds. The contractor would have to use temporary casings to drill the piers and wanted an additional \$25,000. Mr. Burton did not think the contract required the City to do that. He believed the contractor would appeal. He would instruct the contractor to put in the temporary casings. Lonny Cluck said the website contained a report of ongoing city projects. The backwash to the water plant was a TCEQ-mandated correction and was almost completed. The old sludge pond would be cleaned up in the summer. The Etheridge Farms water pressure station was completed except the electric had not yet been hooked up to the booster station. It should be completed sometime the next week.

EXECUTIVE SESSION

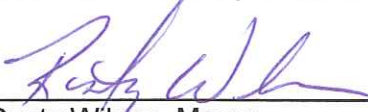
A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

22. **EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072)** - After calling a brief recess at 8:54 p.m., Mayor Pro Tem Nicklas convened into closed session at 9:01 p.m. for

consultation regarding potential purchase, lease or sale of real property.

RETURN TO OPEN SESSION

23. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 9:20 p.m. with no action taken.
24. ITEMS FOR FUTURE AGENDAS – None
25. ADJOURN - There being no further items to discuss, the meeting was adjourned at 9:25 p.m. upon motion by Councilmember Maris and second by Councilmember Huddle.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary

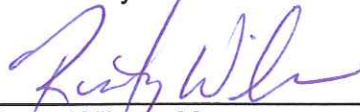
SPECIAL MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., THURSDAY, NOVEMBER 19, 2009
City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Lou Ann Everett, Charles Huddle, and Ross Maris. Mayor Rusty Wilson and Clay Nicklas were absent. City Manager Andy McCuiston, Assistant City Manager – Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, and CEDC Director Mercy Rushing were also in attendance.

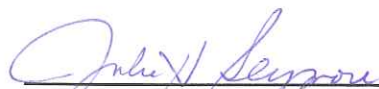
Discussion and action were as follows:

1. CALL TO ORDER – Councilmember Lou Ann Everett was selected to chair the meeting. She opened the meeting at 6:05 p.m. and declared a quorum present.
2. SECOND PUBLIC HEARING ON PETITION FOR VOLUNTARY ANNEXATION OF 17.967-ACRE TRACT SITUATED IN J. DOUTHIT SURVEY, A-198, LOCATED ON HWY 19 SOUTH, CANTON, TEXAS, OWNED BY J.W. BURNETT FAMILY TRUST – A Public Hearing was opened and closed at 6:05 p.m. No comments were presented.
3. ADJOURN – There being no further business to discuss, the meeting was adjourned at 6:06 p.m. upon motion by Charles Huddle and second by Ross Maris.



Rusty Wilson, Mayor

ATTEST:


Julie H. Seymore, City Secretary

**SPECIAL JOINT MEETING OF THE CANTON CITY COUNCIL
AND CANTON ECONOMIC DEVELOPMENT CORPORATION**

6:00 P.M., TUESDAY, DECEMBER 8, 2009

City Hall Council Chambers
290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council and CEDC Board of Directors met at the above-named date and time in the City Hall Council Chambers. Council members present were Mayor Pro Tem Clay Nicklas, Robert Brockman, Lou Ann Everett, and Ross Maris. Mayor Rusty Wilson and Councilmember Charles Huddle were absent. CEDC Board members present were Jack Etheridge, Ernie Barbee, Joe Groves, Susan Gummelt, Karen Hendricks, Ross Maris, and Ron Sanford. City Manager Andy McCuiston, City Secretary/Finance Officer Julie Seymore, CEDC Director Mercy Rushing and CEDC Asst. Director Lynn Kitchens were also in attendance.

Discussion and action were as follows:

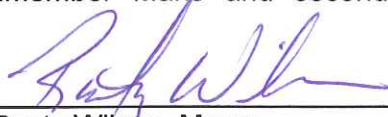
1. CALL TO ORDER – Mayor Pro Tem Clay Nicklas called the meeting to order at 6:00 p.m. and declared a quorum of each governing body present.
2. CONSIDER ALL MATTERS RELATING TO WATER TREATMENT PLANT BULK CHEMICAL STORAGE FACILITY – Mr. McCuiston said the Water Treatment Plant was in need of a bulk chemical storage facility. The estimated cost was originally \$175,000. There have been some additional costs added due to the location change, additional electrical costs and added safety features. Because money was saved on the backwash project increasing the fund balance, no additional funds would have to be raised. Mr. Brumley said an additional \$18,000 of fill would be needed, an emergency eye wash station was added and an air transfer system to ventilate the building was added. The building also had to be heated. The building would be 20 x 50 feet with enough space for an extra tank. He stated part of the extra \$53,000 was a \$20,000 contingency fund which might not be needed. It would be a metal building on a slab foundation which would be insulated on the inside. There would also be an alarm system for overflows. The estimated cost now was \$228,000 with the \$20,000 contingency. Councilmember Everett said she would like to see the new proposed location. Council instructed Mr. McCuiston to move forward with the project.
3. PUBLIC HEARING ON SUBMISSION OF A 2009 TRANSPORTATION ENHANCEMENT PROJECT NOMINATION FOR DOWNTOWN SIDEWALK PROJECT TO THE TEXAS DEPARTMENT OF TRANSPORTATION – Gary Traylor presented information on special TxDOT grant funds that recently became available. In 2001, the City received funding under the same program for sidewalks downtown and from the Main Gate to Hwy. 19. He said this was the first meaningful opportunity since 2000 for Canton to request additional funds to continue with the sidewalk renovations. The new funding would be used to construct sidewalks in a section from Buffalo to Little Street, which would provide pedestrian access to the new First Monday gate on Hwy 64. Mr. Traylor said only \$67 million would be released for competition. TxDOT developed criteria for projects to be funded, one of which was whether or not non-construction costs

were included in the budget. The second criteria was for matching funds which were ordinarily 20% minimum. Estimated cost for the project was \$917,000 for construction only. That did not include the plans, specs, engineering, surveying, construction phase inspections, etc. Nor did it include the cost of an environmental review or local administration. Mr. Traylor recommended a match of 25% to be competitive. The total local cost was estimated at \$468,637.50 for a total project cost of \$1,259,550. The City would not have to contribute the entire amount at one time. The grant would not begin until fiscal year 2010-2011, if approved. Proposals would be accepted through Friday at 5:00 p.m. by TxDOT but would not be presented to the Transportation Commission until June 2010. There might be some non-construction costs in the 2010-2011 budget. The \$263,000 match would not be paid by the City until fiscal year 2011-2012.

Mercy Rushing said she would propose the match be paid by CEDC. She said the match would be closer to 35% with all the non-construction costs. Tracy Hicks of Wisenbaker, Fix said TxDOT basically dictated the spacing between the street lights on Hwy. 19. Because the street lights were funded by donations, they had to place lights closer together on Hwy. 19 to include all the lights that were purchased.

Mayor Pro Tem Nicklas opened a public hearing at 6:27 p.m. regarding the 2009 transportation enhancement project nomination for a downtown sidewalk project to the Texas Department of Transportation. Kay Murphree asked about the sidewalk on the south side of the courthouse on Tyler Street. Mercy Rushing said that was being paid for from another grant. Tracy Hicks said the block east of the courthouse on Tyler Street would be paid through the Texas Capital Fund Main Street fund. There being no further comments, the public hearing was closed at 6:30 p.m.

4. CONSIDER ADOPTION OF RESOLUTION NO. 2009-25 AUTHORIZING SUBMISSION OF CANTON FIRST MONDAY TRADE DAYS STREETScape PROJECT- PHASE II UNDER THE TEXAS TRANSPORTATION ENHANCEMENT PROGRAM-2009 CALL FOR PROJECT NOMINATIONS AND CERTIFYING LOCAL FUNDING AND SUPPORT - Councilmember Brockman made the motion to adopt City Council Resolution No. 2009-25 authorizing the submission of the Canton First Monday Trade Days Streetscape project - Phase II for project nominations under the Texas Transportation Enhancement Program. Councilmember Maris asked if it committed anyone to provide funding. Mr. McCuistion clarified he was not asking to have it put in the budget at that point. The resolution merely gave the authorization to apply for the funds. Councilmember Maris seconded and all voted in favor.
5. ADJOURN - There being no further business to discuss, the meeting was adjourned at 6:32 p.m. upon motion by Councilmember Maris and second by Councilmember Brockman.


 Rusty Wilson, Mayor

ATTEST:


 Julie H. Seymore, City Secretary

REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, DECEMBER 15, 2009
 City Hall Council Chambers
 290 East Tyler Street, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Pro Tem Clay Nicklas, Robert Brockman, Lou Ann Everett, Charles Huddle, and Ross Maris. Mayor Rusty Wilson was absent. City Manager Andy McCuiston, Assistant City Manager—Operations Lonny Cluck, City Secretary/Finance Officer Julie Seymore, Police Chief Mike Echols, Fire Chief Charles Bazhaw, CEDC Director Mercy Rushing, Judge Lilia Durham, and City Attorney Richard Davis were also in attendance.

Discussion and action were as follows:

1. CALL TO ORDER – Mayor Pro Tem Clay Nicklas called the meeting to order at 6:00 p.m. and declared a quorum present.
2. INVOCATION was given by Chief Bazhaw.
3. PLEDGE OF ALLEGIANCE was led by Clay Nicklas.
4. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
5. PROCLAMATIONS AND ANNOUNCEMENTS
 - A. ADMINISTER OATH OF OFFICE TO CANTON FIREFIGHTERS – Judge Lilia Durham administered the Oath of Office to firefighters Steve Risner, Wesley Dennehy, Steve Murphy, Brenden Morgan, Sarabeth Dover and Jason Chamblee.
 - B. INTRODUCE CANINE OFFICER HEATH BURTON AND PARTNER DINO – Chief Echols introduced Canine Officer Heath Burton and his partner Dino.

CITIZEN'S FORUM

6. CITIZEN'S FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – Dorie Hilliard, 1909 VZCR 1106, stated her husband's family owned approximately 500 acres affected by the Mill Creek site. The land has been in the family over 100 years. She said it would affect the livelihood of the family if the lake were there. Her family planned to build a house and raise their children on the land. They intended to fight that location.

JoAnn Barber, 11381 SH 19, said she moved to Canton in the Mill Creek area in 1964. Having the lake in Mill Creek would cause them to lose 547 acres. Her daughter would lose her home on the property. They would like to pass the land on to their children and grandchildren. Two natural gas wells were located on the property. Pipelines ran through the property and it was a game preserve. They would file a lawsuit if this site were chosen.

Linda Edd, 1156 VZCR 1114, Fruitvale also spoke in opposition of the Mill Creek site. She and her mother both lived on the property. All of their property would be condemned. The lake would also take 1000 acres of taxable property from Fruitvale ISD. It would displace not only her family but other community members and create

financial hardship on a financially-strapped district.

Cary Hilliard said he also had an emotional connection to the land. He said the Mill Creek site would not be a good one for a lake. He encouraged Council to choose the Saline Creek site because there were fewer landowners involved and the sewer plant would not run into the lake there. He encouraged Council to consider options that did not include building a new lake, such as dredging the existing lakes and raising the dam. He suggested waiting until new population numbers were issued before a decision was made because it would give a more accurate picture.

INDIVIDUAL CONSIDERATION

7. **CONSIDER APPROVAL OF MINUTES FROM NOVEMBER 10, 17 AND 19, 2009, CITY COUNCIL MEETINGS** – The minutes of the November 10, 17, and 19, 2009 City Council Meetings were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Maris.
8. **CONSIDER APPROVAL OF NOVEMBER 2009 FINANCIAL STATEMENTS** – Julie Seymore reported a November 30, 2009 cash balance of \$2,971,617, a debt service balance of 6,723,698, year-to-date revenues of \$2,010,554 and year-to-date expenses of \$2,176,841. Ms. Seymore noted the acquisition of a new fire truck and its corresponding \$380,000 10-year loan. She also explained the Capital Improvement Fund expenditures included continuance of the water plant improvement project that was budgeted in the preceding fiscal year. Ron Perkins questioned why the capital improvement increase was 244.5% and the Equipment Replacement Fund was almost spent. Ms. Seymore explained it was due to the continuance of the water plant improvement project budgeted in the preceding year and the purchase of the \$380,000 fire truck. The November 2009 Financial Statements were unanimously approved upon motion by Councilmember Brockman and second by Councilmember Everett.
9. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-38 ANNEXING 17.967-ACRE TRACT SITUATED IN J. DOUTHIT SURVEY, A-198, LOCATED ON HWY 19 SOUTH, CANTON, TEXAS, OWNED BY J.W. BURNETT FAMILY TRUST** – Julie Seymore reported the Council previously held two public hearings on the Burnett Family Trust's petition for voluntary annexation of a 17.967-acre tract on Highway 19 South, north of CEDC's 60-acres. There were already services at the location. Councilmember Huddle made the motion to adopt Ordinance No. 2009-38 annexing the 17.967-acre tract situated in the J Douthit Survey, A-198, owned by J.W. Burnett Family Trust. Councilmember Maris seconded and all voted in favor.
10. **CONSIDER ADOPTION OF ORDINANCE NO. 2009-39 EFFECTING A ZONING CHANGE FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON A 4.86-ACRE TRACT IN THE J. DOUTHIT SURVEY, LOCATED ON HWY. 19 SOUTH OF CANTON, TEXAS, CURRENTLY OWNED BY THE J.W. BURNETT FAMILY TRUST** – Ms. Seymore explained the zoning request was for 4.86-acres of the newly annexed property owned by J.W. Burnett Family Trust. The developer planned to build a 129-room nursing home with rehab facilities that would employ 80-100 people. Of the twenty neighboring property owners notified of the requested change, only one responded and it was in favor. The Planning & Zoning Commission held a hearing and unanimously voted to recommend the requested B-2 zoning. Clay Nicklas opened a Public Hearing at 6:27 p.m. Hearing no comments, the Hearing closed at 6:27 p.m. Councilmember Maris made the motion to adopt Ordinance No. 2009-39 changing the zoning on a 4.86-acre tract in the J Douthit Survey, owned by J.W. Burnett Family Trust

from Rural Agriculture to General Business District (B-2). Councilmember Brockman seconded and all voted in favor.

11. CONSIDER ADOPTION OF ORDINANCE NO. 2009-40 AMENDING THE CITY OF CANTON BUDGET FOR FISCAL YEAR 2008-2009 – Julie Seymore explained the proposed budget amendments cleaned up the FY 2008-2009 budget. All projects requiring the budget amendment had been previously approved by the Council. The proposed amendments included a \$73,500 increase for the emergency repairs at the Wastewater Treatment Plant, an offsetting \$83,000 decrease from the sewer mains and lines maintenance account because the Athens Street Sewer Line was not completed in the fiscal year, a \$57,800 increase to the First Monday Building & Grounds Capital Improvement Account for drainage improvements, including re-routing the creek to circumvent a second bridge repair and engineering for the Lock and Leave building. It also included an increase of \$492,110 in interfund transfers between the First Monday Investment Account and the Debt Service Reserve Fund. This transfer was an accounting change recommended by the auditors to reflect the City's investment savings in reserve for debt service. Ordinance No. 2009-40 amending the City of Canton Budget for Fiscal Year 2008-2009 was adopted unanimously as proposed upon motion by Councilmember Everett and second by Councilmember Huddle.
12. CONSIDER ALL MATTERS RELATING TO WATER WELL PROJECT, INCLUDING FUNDING ALTERNATIVES – Mr. McCuiston announced the financial advisor, John Martin, was unable to attend the meeting. The estimated fees for the project would be approximately \$1,000,000. He recommended obtaining revenue bonds to fund the project. Mr. Burton explained a municipal well had to meet TCEQ requirements for a public water well, which increased the cost. Mr. Burton said the last well was 400 gpm but he did not expect to exceed 200 gpm on the new well. The size of the casing and screens dictated the cost. The well pump itself cost \$350,000 and the motor \$70,000. That did not include the pump building, the storage tank, pressure tank or obtaining access. The other well was built in 2004 or 2005 and they did not have to build a road to it. Mr. Burton said there were three proposed well locations. The first preference was Industrial Park 4 where they built the booster station. They could use the existing pumps and pump house and the cost would be less. Mr. McCuiston said if the matter were approved, he would contact John Martin about the acquisition of funding. The cost would not be known for certain until after the test wells were drilled. The Industrial Park 4 site was recommended because it was close to the pumping station and the City already owned the land. The second choice was city-owned property at the lake on FM 2909. Both sites chosen were in the Mill Creek basin because they could get good water there. Mr. Burton said they would have a firm bid once the test hole was done. He said wells were typically bid by the foot so contractors could not build in a lot of fat. Councilmember Brockman made a motion to approve the pursuit of \$1 million revenue bonds for the water well project. Councilmember Everett seconded and all voted in favor.
13. CONSIDER SELECTION OF PROPOSED SITE FOR FUTURE SURFACE WATER SOURCE – Gary Burton explained the drainage area for the Mill Creek location was 41.7 square miles and 32.8 at the Saline Creek location. The surface area at Mill Creek would be 1460 acres versus 1644 at Saline Creek. The depth at Mill Creek would be 32 feet at normal pool elevation and 30 at Saline Creek. Mill Creek's location had 75 parcels affected versus 104 at Saline Creek, with 50 property owners affected at Mill Creek as opposed to 75 at Saline Creek. The amount of acreage affected would be 5414 acres for an appraised value of \$14.6 million at Mill Creek and 4081 at Saline Creek for an appraised value of \$14 million. Mill Creek would affect .6 miles of roadway

and Saline Creek 1.4. There were 4 oil/gas wells in the footprint at Mill Creek and 3 in Saline Creek. All have been recorded as abandoned. There were 8742 feet of gas pipeline at the Mill Creek location and 3264 feet at Saline Creek. It was important to note Mill Creek had only one water system that would be affected while Saline Creek had two. Mill Creek had no transmission lines involved while Saline Creek had 11,747 feet of transmission lines in its footprint.

Mr. McCuiston said Region D would be making a decision soon on its next plan. If Canton were not included in this plan, it would be five years before they would have another opportunity. The water rights might be gone by then. No matter which site was selected, families would be affected. Canton needed to decide if they would find other water sources themselves or buy water from someone else. Both the Mill Creek and Saline Creek sites were in the Sabine basin. Most of the water rights in the Kickapoo basin were already taken. Mr. Burton said each site would affect future availability because it would affect the water downstream. Mr. McCuiston said Canton needed to get approval from Region D for a surface lake. Once on the plan, it went to the State for approval on the State's plan. Once that was approved, it would be necessary to determine funding. Since it would be so expensive, they would look for area partners to share in the cost. Once the land was acquired, construction could begin. If the process were not started now, it probably would never happen. Councilmember Huddle said the population might not grow to be 40,000, as previously anticipated. Councilmember Maris said the lake would serve a larger area than just the City of Canton. Mr. Cluck mentioned it took approximately twenty years to build the last lake from beginning to end.

Cary Hilliard said he attended the last meeting at Mt. Pleasant and a gentleman there said there was no water shortage in Texas. There were other options. The population was getting smaller, not larger. A lake might not be needed at all. Ron Perkins said the county representative for Canton was in favor of dredging the existing lakes rather than building a new lake. Mr. Burton said it would cost approximately \$18,000 to have the Water Development Board do a survey regarding dredging the lakes. Renee Cecil said there was oil production on her property and the oil companies would file lawsuits against the construction of a lake.

Mr. McCuiston said the decision could probably be deferred to February or March. Then Canton would miss out on the opportunity to be included in Region D's plan for the next five years. A site had to be specified to be included in the plan. Mr. Burton said there was not much difference between the two sites in having to pump water to the Wastewater Treatment Plant. There were three identifiable dam sites at the Saline Creek site and only one at the Mill Creek site. Councilmember Huddle felt the lake did not need to be as large as proposed. Mr. Burton said Dunkin Sefko had developed the estimated population of 40,000 by 2050 for Canton and the surrounding area. Councilmember Maris reminded everyone Canton had grown commercially, not just in residential areas. He also said during First Monday, the water and sewer capacity increased considerably. The population of the Metroplex was expected to double in the next forty years, which would impact the Canton area also. He felt Council had a responsibility to its citizens and future citizens to make sure water would be available. The City almost went dry a few years ago. Dredging the existing lake would not help much. Councilmember Nicklas said there was no doubt at some point in the future more water would be needed. Mr. McCuiston said it would be better to give up rights than not have enough. Councilmember Huddle said if the City had no water rights, they could not build a lake anywhere. Councilmember Maris cautioned if the City passed up the opportunity now, water rights would no longer be available. Councilmember Huddle said there were problems with either site. He felt the Saline Creek site would be better

because a smaller lake could be built. Councilmember Everett said that site would take care of the sewer problem and future EPA issues. Councilmember Huddle made a motion to choose the Saline Creek site as the proposed site for future surface water source. Councilmember Everett seconded and all voted in favor. Councilmember Nicklas reminded Council Region D could reject their selection.

14. **CONSIDER ALL MATTERS RELATING TO LISA CIRCLE PROJECT** – Lonny Cluck explained \$125,000 was budgeted for an overlay on Lisa Circle. He said the engineers were unsure how long an overlay would last because the concrete underneath had no rebar. He suggested moving the project to the end of the fiscal year and budgeting more in 2011 to do the street correctly. Councilmembers Nicklas and Brockman agreed the street should be done the right way. Councilmember Brockman made a motion to do half the street in the current fiscal year and half in the next year in order to do the street the right way with new curbs and asphalt. Mr. Cluck said there were no water or sewer lines under the road. Mr. McCuiston said the job would be bid out toward the end of the year and the work spread out into the two fiscal years. Councilmember Everett seconded the motion. All voted in favor.
15. **CITY MANAGER'S REPORT**
 - A. **FINES AND WARRANTS** – Judge Durham reported they cleared 18 warrants, 15 on a payment plan. Two officers were working diligently on warrant roundups on Monday and Tuesday nights. The jail was full the last two weeks. She spoke to the collection agency and they were going to work diligently on 2004-2006 warrants. Beth Jackson had already received 46 pages of warrants they were verifying which she would submit back to them for third notices.
 - B. **PUBLIC WORKS PROJECTS** – Lonny Cluck said the bids on the water plant's chemical storage building were ready to be sent. They were in the process of deciding on the location. Mr. McCuiston said the City would save about \$80,000 per year for two to three years buying the chemicals in bulk. Mr. Cluck reported the trough project was 70% complete. The manufacturer had to replace the gear boxes which would take three to four weeks. He said the backwash sludge reroute was in service and working well. The discharge at the water plant would now go to the sewer plant to be treated. The southside booster station went into service over a week prior to the meeting and pressure was holding around 50 pounds. They were feeding off an 8" line. Councilmember Huddle said his son was on the system and just had half the pressure as before. Mr. Cluck said they would investigate. On Etheridge Lane, there were six to seven houses with 2" water lines feeding to them. They extended a 6" line to that area and put a fire hydrant there which should help those houses. On Athens Street, they were replacing the sewer line. Mr. Cluck hoped to get the sewer line completed by Christmas. He did not recommend working on the road until summer. Putting down more rock would result in a better road. Mr. Cluck explained a twenty foot sewer line collapsed at the end of Goshen Street. An emergency repair was necessary. There were several sinkholes on the line. They have to replace 700 feet to go from manhole to manhole and were starting immediately. They would start at the end of Goshen and tie into the new sewer line from Wal-Mart. The 700 feet would not cover the section between Goshen and Mr. D's on Hwy. 243. Mr. McCuiston said the whole line would have to be replaced as an emergency repair. He hoped the job would be complete before Christmas.
 - C. **FIRST MONDAY PROJECTS** – Lonny Cluck reported there were four ongoing First Monday projects. Thirty-eight piers had been drilled on the lock and

leave building. They were averaging twelve per day and using a casing to drill to prevent the soil from caving. There were 120 piers in total to be done. They replaced the bridge and had concrete men working on header walls on Row 93. They extended Row 97 and Row 99 to pass the lock and leave building to help traffic flow.

EXECUTIVE SESSION

A closed or executive session will follow pursuant to the provision of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072.

16. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE, LEASE OR SALE OF REAL PROPERTY (Section 551.072) – The Council had a brief recess at 7:43 p.m. before convening in closed session at 7:47 p.m. for deliberations regarding real property.

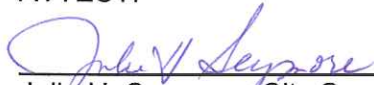
RETURN TO OPEN SESSION

17. RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 7:57 p.m. with no action taken.
18. ITEMS FOR FUTURE AGENDAS - Councilmember Maris suggested looking at pros and cons of doing Lisa Circle and other streets according to the subdivision ordinance. Councilmember Brockman said he wanted to look at places in town which needed cleanup. Councilmember Huddle suggested a paint ordinance.
19. ADJOURN – There being no further business to discuss, the meeting was adjourned at 8:03 p.m. upon motion by Councilmember Brockman and second by Councilmember Everett.



Rusty Wilson, Mayor

ATTEST:



Julie H. Seymore, City Secretary